



2009-2010

Comprehensive Annual Financial Report

For the year ended June 30, 2010



HAWKEYE
COMMUNITY COLLEGE

Iowa Area VII Community College

**HAWKEYE COMMUNITY COLLEGE
WATERLOO, IOWA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

PREPARED BY : BUSINESS SERVICES

**HAWKEYE COMMUNITY COLLEGE
1501 EAST ORANGE ROAD
WATERLOO, IA 50701
www.hawkeyecollege.edu**

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1 – 4
Schedule of Officials	5
Organizational Chart.....	6
Certificate of Achievement for Excellence in Financial Reporting	7

FINANCIAL SECTION

Independent Auditors' Report		8 – 9
Management's Discussion and Analysis		10 – 15
Basic Financial Statements:	<u>Exhibit</u>	
Statement of Net Assets	A	16 – 17
Statement of Revenues, Expenses and Changes in Net Assets	B	18
Statement of Cash Flows	C	19 – 20
Notes to Financial Statements		21 – 34
Required Supplementary Information:		
Schedule of Funding Progress for the Retiree Health Plan.....		35
Other Supplementary Information:	<u>Schedule</u>	
Notes to Other Supplementary Information		36
Budgetary Comparison Schedule of Expenditures – Budget to Actual	1	37
Note to Other Supplemental Information – Budgetary Reporting		38
Balance Sheet	2	39 – 40
Schedule of Revenues, Expenditures and Other Changes in Fund Balances	3	41 – 44
Current Unrestricted Fund:		
Schedule of Revenues, Expenditures and Other Changes in Fund Balance -- Education and Support	4	45 – 46
Schedule of Revenues, Expenditures and Other Changes in Fund Balance -- Auxiliary Enterprises	5	47
Current Restricted Fund:		
Schedule of Revenues, Expenditures and Other Changes in Fund Balance	6	48 – 49
Agency Funds – Schedule of Changes in Deposits Held in Custody for Others	7	50
Schedule of Credit/Contact Hour Enrollment	8	51
Comparison of Taxes and Intergovernmental Revenues	9	52
Current Fund Revenues by Source and Expenditures by Function	10	53 – 54

STATISTICAL INFORMATION SECTION

	<u>Table</u>	
Net Assets by Component	I	56
Changes in Net Assets	II	57 – 58
Fund Balances	III	59 – 60

Revenues by Source.....	IV	61
Property Tax Rates – Direct and Overlapping Governments	V	62
Principal Property Taxpayers and Their Assessed Valuations.....	VI	63
Property Tax Levies and Collections	VII	64
Legal Debt Limit.....	VIII	65
Outstanding Debt.....	IX	66
Demographic and Economic Statistics	X	67
Principal Employers	XI	68
Employees by Function and Students per FTE	XII	69
Capital Assets by Major Class Less Accumulated Depreciation	XIV	70 – 71
Schedule of Credit/Contact Hour Enrollment.....	XIV	72
Higher Education Price Index (HEPI) Full Year FTE	XV	73
Student Enrollment by Program.....	XVI	74 – 77
Student Statistics	XVII	78
Student Ethnicity.....	XVIII	79

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	80 – 81
--	---------

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditors' Report on Compliance and on the Internal Control over Financial Reporting	82 – 83
---	---------

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditors' Report on Compliance with Requirements Applicable To Each Major Program and Internal Control Over Compliance	84 – 85
Schedule of Findings and Questioned Costs	86 – 89
Schedule of Prior Year Findings	90
Corrective Action Plan for Federal Audit Findings.....	91

* * * * *



2009-2010

Introductory Section



HAWKEYE
COMMUNITY COLLEGE

Iowa Area VII Community College



December 15, 2010

To the Board of Trustees
Hawkeye Community College

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of Hawkeye Community College (the College) for the fiscal year ended June 30, 2010.

Iowa State law requires that all special-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted within the United States. Pursuant to that requirement, we hereby formally issue and transmit the comprehensive annual financial report to Hawkeye Community College for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of Hawkeye Community College. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Hawkeye Community College has established a comprehensive internal control framework that is designed both to protect the school's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Hawkeye Community College's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Williams & Company, P.C., a firm of licensed certified public accountants, has audited the Hawkeye Community College's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Hawkeye Community College for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Hawkeye Community College's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Hawkeye Community College was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report, not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in Hawkeye Community College's separately issued compliance report.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes this transmittal letter, the College's most recent Certificate of Achievement for Excellence in Financial Reporting, the College's organizational chart, and a list of principal officers. The financial section includes Management's Discussion and Analysis (MD&A), the Independent auditor's report, and the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

Reporting Entity

The College is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). In accordance with GASB Statement No. 14, the financial reporting entity consists of a primary government and a component unit. The College is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. In accordance with GASB Statement No.39, the financial activity of the College Foundation is presented as a component unit of the College. The College is not included in any other governmental financial reporting entity.

Profile of Hawkeye Community College

As a political subdivision of the State of Iowa, the College is subject to the oversight of the College's Governing Board of Trustees (the Board), which is comprised of nine elected members, representing each of the districts in Merged Area VII. Merged Area VII is comprised of all or portions of the following Iowa counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama. The board members are volunteers elected in odd-numbered years for four-year terms on a staggered basis. The Board is granted full authority from the Statutes of the State of Iowa to manage the business and educational needs of the College. The administrative staff is responsible for the daily operation of the College.

State appropriations are received based on Full Time Equivalent Enrollment (FTEE) and formula funding. The College exercises primary property tax levy authority for generation of funds for operating expenses, special revenue and capital project funds.

The College is committed to offering quality educational programs and services at a reasonable cost. The College provides a wide range of programs, including general academic, technical-vocational, student development services, continuing education, and community services.

Budget

Hawkeye Community College maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of the general fund, special revenue funds, and capital projects fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. For the year ended June 30, 2010, Hawkeye Community College met certified budget expectations in the general fund, special revenue funds, and capital projects fund.

Hawkeye Community College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the fiscal year's end. Hawkeye Community College is not required to use encumbrance accounting, and accordingly, commitments related to unperformed contracts for goods or services have not been recorded by Hawkeye Community College.

Annually, the Hawkeye Community College Board of Trustees adopts a certified budget and approves property tax rates in accordance with provisions outlined in the Statutes of the State of Iowa. The budgets are prepared on an accrual basis. During the fiscal year, monthly financial reports are prepared comparing the budget to actual receipts and disbursements of the various funds.

Factors affecting financial condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Hawkeye Community College operates.

Local economy

The State of Iowa faces the same financial pressures as the national economy. State Aid declined by 10% for the fiscal year ended June 30, 2010 compared to the previous year. The decrease in State Aid was partially offset by the American Recovery and Reinvestment Act (stimulus) funding.

The taxable valuation has been impacted by the state mandated rollback in taxable valuation. The taxable valuation is currently only 45.6% of the assessed valuation for residential property, and 93.9% of the assessed valuation for agricultural zoned property. Commercial property is taxed at 100.0% of the assessed valuation. The valuation of commercial property is approximately 50% of residential property.

For most of the Area VII counties, the economy remains uncertain. Farm valuations are increasing, the effects of which will be felt in future years property tax revenues for the college.

High unemployment continues to plague the State of Iowa (6.4%). This most recent Iowa Workforce Development data is from September 2010. This is due in a large part to layoffs in the manufacturing sector. The unemployed are returning to school to develop new skill sets to gain access to better employment opportunities. This resulted in increased enrollment for all semesters of the fiscal year ended June 30, 2010. Therefore, tuition revenues increased by 5.8% compared to the previous year.

Long-term financial planning

The college is engaged in developing a new multi-year strategic plan. Included in this endeavor is the creation of new educational programs to address the changing job availability and the increased interests of non-traditional students. Two new physical locations, Outreach Centers, were established in local communities to increase the availability and convenience of students' participation in educational programming. These strategic programming changes should result maintain enrollment figures as the economy improves.

During fiscal year 2010, the College formed an internal task force to study and recommend future cost savings measures. The task force recommended a green solution be implemented to provide substantial long-term savings. An early retirement program was also implemented at the suggestion of the task force. Savings will be recognized as not all positions were refilled. College management remains vigilant seeking other cost savings opportunities.

Hawkeye Community College Administrative offices are located in Black Hawk County. In 2003, voters in Area VII passed a 10-year bond referendum. Property tax receipts will repay \$25 million of bonded General Obligation debt over a 10-year period.

The first use of the money was for additions and repairs to classroom buildings and college infrastructure. The second phase of the project included construction of the Brock Student Center. Two outreach facilities financed by the bonds were opened in local communities (City of Waverly and Grundy County). Construction is underway for a Health Education and Services Center. Community input, as well as professional analysis, has been taken into consideration for the overall plan of construction and remodeling.

Financial Reporting

This CAFR for the College was formulated with data from various sources including College and Foundation records, and the County Treasurer's and County Auditor's Offices of Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama. The statements present information on the financial condition of the College and whether resources were adequate to cover the costs of providing services during the reporting period. The College's CAFR will be distributed to the Board of Trustees and executive administration, federal and state agencies, and financial institutions, as well as others throughout the general public. Internal management reports are customized and provided to meet the information and decision-making needs at all levels of the organization and to aid management in the allocation of resources.

The Notes to the Financial Statements are an integral part of this CAFR and should be read in conjunction with the Financial Statements for a full understanding of the information presented therein.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to Hawkeye Community College for its Comprehensive Annual Financial Report for the year ended June 30, 2009. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a college must publish an easily readable and efficiently organized annual financial report whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the Business Services staff of Hawkeye Community College. We would like to express our appreciation to all who assisted and contributed to this report with a special thanks to Williams & Company, P.C. Also, appreciation is expressed for the interest and support of the Board of Trustees in conducting the financial operation of the College in a most responsible and progressive manner.

Respectfully submitted,



Galen Howsare
Vice President Administration and Finance

This page intentionally left blank

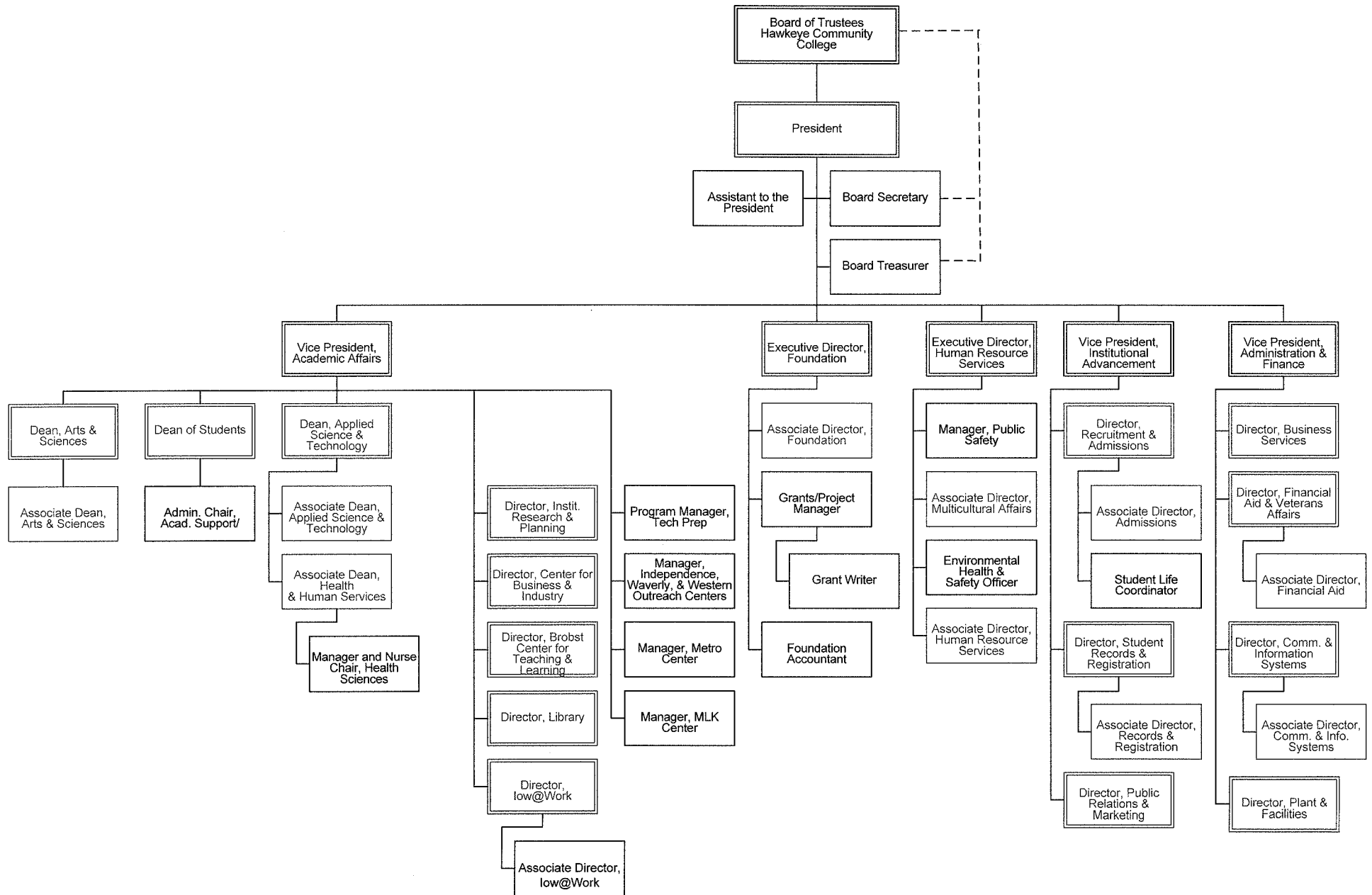
HAWKEYE COMMUNITY COLLEGE OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Trustees		
Mark Birdnow	Chairperson	2013
Ruth Niemann	Vice Chairperson	2011
Ruth Cunningham	Member	2013
Dave Krejchi	Member	2013
Micaela Lorenz	Member	2011
Luane Lorenzen	Member	2013
Ronald McGregor	Member	2011
Casey McLaughlin	Member	2011
Donna Miller	Member	2013

Community College (As of June 30, 2010)

Greg Schmitz	President
Galen Howsare	Vice President, Administration and Finance
Denise Bouska	Board Treasurer
Donna McNulty	President Secretary
Denise Dunn	Board Secretary

Hawkeye Community College
July 1, 2010



Key:

Cabinet

Administrative
Council

- 6 -

President's
Council

Professional
Staff

Certificate of Achievement for Excellence in Financial Reporting

Presented to
Hawkeye Community College
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



2009-2010

Financial Section



HAWKEYE
COMMUNITY COLLEGE

Iowa Area VII Community College

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Hawkeye Community College
Waterloo, Iowa

We have audited the accompanying financial statements, listed as the Basic Financial Statements in the table of contents of this report, of Hawkeye Community College, Waterloo, Iowa, as of and for the year ended June 30, 2010. These financial statements are the responsibility of the Community College's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Hawkeye Community College Foundation (a discretely presented component unit of the Community College discussed in Note 1), which statements reflect total assets of \$4,359,580 and total revenues of \$709,725 for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to use and our opinion insofar as it relates to that unit is based on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The financial statements of the Hawkeye Community College Foundation were not audited in accordance with *Government Auditing Standards*. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of Hawkeye Community College at June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2010, on our consideration of Hawkeye Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress for the Retiree Health Plan on pages 10 through 15 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The accompanying Introductory Section and Statistical Information is presented for the purposes of additional analysis and is not a required part of the basic financial statements of Hawkeye Community College. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Hawkeye Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2009 (which is not presented herein) and expressed unqualified opinions on those financial statements. We did not previously audit, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the four years ended June 30, 2006. Other supplemental information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards, required by U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Williams & Company, P.C.

Certified Public Accountants

Spencer, Iowa
December 15, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2010

Management of Hawkeye Community College provides this Management's Discussion and Analysis of the College's annual financial statements. This narrative overview and analysis of the financial activities of Hawkeye Community College is for the fiscal year ended June 30, 2010. We are also discretely presenting financial information about the Hawkeye Community College Foundation (Foundation). We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- College operating revenues totaled \$32,757,332 for fiscal year 2010 and increased \$3,672,384, as compared to fiscal year 2009 operating revenues of \$29,084,948. The increase resulted from a significant increase in Federal Appropriations, mainly in Pell and American Recovery and Reinvestment Act (Stimulus Fund) funding.
- College operating expenses totaled \$46,727,873 for fiscal year 2010 and increased \$909,436, as compared to fiscal year 2009 operating expenses of \$45,818,437. The increase resulted primarily from increases in Cooperative Services, General Administrative and General Institutional expenditures.
- The College's net assets increased 7.7%, or \$5,019,883, from the year ended June 30, 2009.

USING THE ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the College's financial activities.

The Basic Financial Statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets and a statement of cash flows. These provide information about the activities of the College as a whole and present an overall view of the College's finances.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information presents a Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the individual funds. The Budgetary Comparison Schedule of Expenditures – Budget to Actual further explains and supports the financial statements with a comparison of the College's budget for the year. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the College.

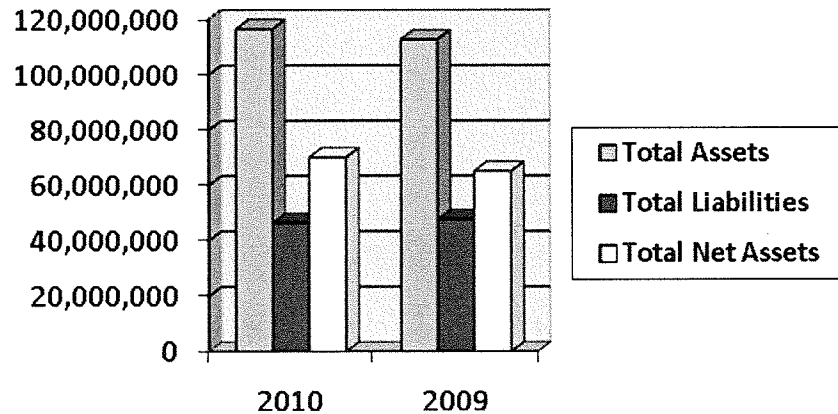
REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

The Statement of Net Assets

The statement of net assets presents the assets, liabilities and net assets of the College as a whole, as of the end of the fiscal year June 30, 2010. The statement of net assets is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The statement of net assets includes year-end information concerning current and non-current assets, current and non-current liabilities and net assets (assets less liabilities). Over time, readers of the financial statements will be able to determine the College's financial position by analyzing the increases and decreases in net assets. This statement is also a good source for readers to determine how much the College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

Net Assets

	June 30, 2010	June 30, 2009
Current and Other Assets	\$ 73,399,993	\$ 74,374,352
Capital Assets, Net of Accumulated Depreciation	43,157,060	38,445,858
Total Assets	116,557,053	112,820,210
Current Liabilities	22,125,231	22,687,432
Non-current Liabilities	24,333,971	25,054,810
Total Liabilities	46,459,202	47,742,242
Net Assets:		
Invested in Capital Assets, Net of Related Debt	36,443,968	29,370,588
Restricted	18,146,501	20,106,159
Unrestricted	15,507,382	15,601,221
Total Net Assets	\$ 70,097,851	\$ 65,077,968



Comparison of Net Assets

A portion of the College's net assets (52.0%) is invested in capital assets (e.g., land, buildings and equipment), less the related debt. The debt related to the invested in capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (25.9%) includes resources that are subject to external restrictions. The remaining net assets (22.1%) are the unrestricted net assets that can be used to meet the College's obligations as they come due.

Statement of Revenues, Expenses and Changes in Net Assets

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Assets. The purpose of the statement is to present the revenues earned by the College, both operating and non-operating, and the expenses incurred by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

In general, a public college, such as Hawkeye Community College, will report an operating loss since the financial reporting model classifies state appropriations and property taxes as non-operating revenues. Operating revenues are received for providing goods and services to the various students, customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

Changes in Net Assets

	Year Ended June 30, 2010	Year Ended June 30, 2009
Operating Revenues:		
Tuition and Fees	\$ 17,097,104	\$ 15,085,782
Less: Scholarship Allowances	(9,407,653)	(5,709,580)
Tuition and Fees, net of scholarship allowances	7,689,451	9,376,202
Federal Appropriations	16,573,673	9,600,696
Iowa Industrial New Jobs Training Program	3,294,700	4,154,074
Auxiliary Enterprises Revenue, net of scholarships	2,656,212	2,984,506
Gifts and Grants	386,593	153,635
Miscellaneous	2,156,703	2,815,835
Total Operating Revenues	32,757,332	29,084,948
Total Operating Expenses	46,727,873	45,818,437
Operating Loss	(13,970,541)	(16,733,489)
Non-Operating Revenues (Expenses)		
State Appropriations	12,927,107	14,593,950
Property Taxes	6,890,306	7,073,144
Interest Income from Investments	442,088	650,205
(Loss) on Sale of Capital Assets	(17,851)	(1,534)
Interest on Indebtedness	(1,251,226)	(1,289,114)
Net Non-Operating Revenues	18,990,424	21,026,651
Increase in Net Assets	5,019,883	4,293,162
Net assets Beginning of Year	65,077,968	61,026,667
Prior Year Adjustments	-	(241,861)
Net assets Beginning of Year - Restated	65,077,968	60,784,806
Net Assets Ending of Year	\$ 70,097,851	\$ 65,077,968

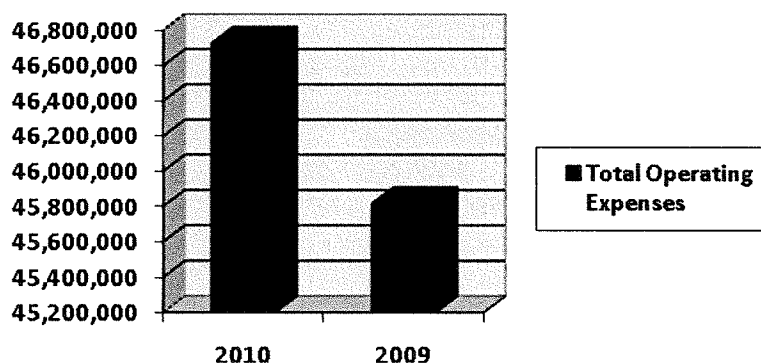
The statement of revenues, expenses and changes in net assets reflects a positive year, with increases in the net assets of \$5,019,883 for the current year.

In fiscal year 2010, the major fluctuations in revenues were a result of the following changes:

- Tuition and Fees, net of scholarship allowances, decreased \$1,686,751 resulting from two positive factors. Tuition and Fees increased by \$2,011,322, this resulted from an increase in enrollment for all semesters coupled with a \$4.00 per credit hour increase in tuition and fees. The Scholarship Allowance increased by \$3,698,073 due to an increase in Pell grants for the higher enrollment. Also, a change to federal regulations allowed students enrolled in summer classes to become eligible to receive additional Pell grant funding.
- Federal Appropriations increased \$6,972,977 due to increases in Pell Grants, the American Recovery and Reinvestment Act (Stimulus Fund) funding, a Health Resources and Services Administration (HRSA)/ Health Care and Other Facilities (HCOF) Construction Award, Department of Labor Disaster Grant, and other Federal support.
- Iowa Industrial New Jobs Program revenues decreased \$859,374 due to the timing of the projects and the variability of the revenue accounts. Overall revenue is influenced not only by the withholding revenues received from the companies, but also the amount of reimbursed expenses the company had throughout the year.

Operating Expenses

	Year Ended June 30, 2010	Year Ended June 30, 2009
Education and Support:		
Liberal Arts and Sciences	\$ 6,034,637	\$ 6,539,305
Vocational Technical	8,410,993	8,517,331
Adult Education	1,699,953	2,232,503
Cooperative Services	7,318,191	6,456,505
General Administration	4,767,847	3,046,212
Student Services	2,358,329	2,391,466
Learning Resources	759,102	799,826
Physical Plant	3,180,238	3,284,948
General Institution	7,507,517	6,870,490
Sub-total	42,036,807	40,138,586
Auxiliary Enterprises	2,018,905	2,911,252
Scholarships and Grants	690,250	808,574
Depreciation Expense	1,981,911	1,960,025
Total	\$ 46,727,873	\$ 45,818,437



In fiscal year 2010, the major fluctuations in operating expenses were a result of the following factors:

- An increase in the Allowance for Bad Debts, professional service costs and reassignment of payroll related expenditures were significant factors in the increase of \$1,721,635 in General Administrative expenditures.
- General Institution expenditures increased \$637,027 due to costs relating to computer hardware upgrades.
- Instructional expenditures decreased by \$504,668 for Liberal Arts and Sciences and \$106,338 for Vocational Technical. Most of this \$611,006 decrease is attributable to salary, wages and fringe benefits.
- Cooperative expenditures increased \$861,686 due to additional training dollars available for the issuance of New Jobs training certificates and a Department of Labor Disaster Grant.
- Adult Education expenditures decreased by \$532,550 due to decreases in funding and enrollment.

Statement of Cash Flows

The statement of cash flows is an important tool in helping the users to assess the College's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The statement of cash flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital financing and investing activities.

Cash Flows

	Year Ended June 30, 2010	Year Ended June 30, 2009
Cash and Cash Equivalents Provided (Used) by:		
Operating Activities	\$ (11,756,637)	\$ (7,176,658)
Non-Capital Financing Activities	19,817,413	21,667,096
Capital and Related Financing Activities	(10,295,396)	(9,410,565)
Investing Activities	964,747	(13,125,161)
Net Increase in Cash and Cash Equivalents	(1,269,873)	(8,045,288)
Cash and Cash Equivalents at Beginning of Year	2,212,069	10,257,357
Cash and Cash Equivalents at End of Year	\$ 942,196	\$ 2,212,069

Cash used by operating activities includes tuition, fees, grants and contracts, net of payments to employees and to suppliers. Cash provided by non-capital financing activities includes state appropriations and local property taxes received by the College. Cash used by capital and related financing activities represents the proceeds from debt, the principal and interest payments on debt and the purchase of capital assets. Cash provided by investing activities includes investment income earned.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2010, the College had \$43,157,060 invested in capital assets, which was net of accumulated depreciation of \$24,969,109. Depreciation expense totaled \$1,981,911 for fiscal year 2010. Details of the capital assets are shown below.

Capital Assets, Net, at Year-End

	June 30, 2010	June 30, 2009
Land	\$ 379,179	\$ 379,179
Construction in Progress	6,681,038	3,779,036
Capital Assets Not Depreciated	7,060,217	4,158,215
Buildings	22,638,487	23,268,466
Other Structures and Improvements	9,188,105	7,067,821
Furniture and Equipment	4,270,251	3,951,356
Capital Assets, Net of Depreciation	36,096,843	34,287,643
Total Capital Assets	\$ 43,157,060	\$ 38,445,858

Planned capital expenditures for the fiscal year ended June 30, 2010 and beyond include: remodel of Bremer Hall and Buchanan Hall to improve technical training areas and classrooms and additional classroom equipment campus wide. Construction is underway for a Regional Transportation Training Center. Construction is nearing completion of a Health Education and Services Center. More detailed information about the College's capital assets is presented in Note 5 to the basic financial statements.

Long-Term Debt

As of June 30, 2010, the College had \$29,325,000 in debt outstanding, a decrease of \$3,835,000 from June 30, 2009. The table below summarizes these amounts by type.

Outstanding Debt

	Year Ended June 30, 2010	Year Ended June 30, 2009
Certificate Payable	\$ 23,000,000	\$ 24,340,000
General Obligation Bonds	6,325,000	8,820,000
Total	<u>\$ 29,325,000</u>	<u>\$ 33,160,000</u>

More detailed information about the College's outstanding debt is presented in Note 6 to the basic financial statements.

ECONOMIC FACTORS

Hawkeye Community College took steps in anticipation of the State of Iowa drastically reducing community college funding. Salaried and hourly employees took furlough days in fiscal year 2010. Increased hiring of adjunct faculty occurred. An early retirement plan was implemented, with few plans for replacing personnel. These well-laid plans resulted in an improved fiscal position of the college. However, the lingering recession is a concern for College officials. Some of the realities that may potentially become challenges for the College to meet are:

- Due to a regional unemployment rate of 6.4% in September 2010, enrollment increased from Fall 2009 to Fall 2010 which will result in greatly needed additional tuition and fee revenues. As the effects of the recession diminish, the college is planning for a decrease in enrollment as individuals reenter the workforce.
- Salaries, wages and fringe benefits comprise nearly 80% of annual Educational and Support expenditures. Providing competitive packages to attract and retain the best employees is an issue facing the College.
- Facilities at the College require constant maintenance and upkeep at increasing costs.
- Technology continues to expand and current technology becomes quickly outdated presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost.

The College anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the College's ability to react to unknown issues.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college, and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Hawkeye Community College, 1501 E. Orange Road, P.O. Box 8015, Waterloo, Iowa 50704-8015.

Basic Financial Statements

HAWKEYE COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
JUNE 30, 2010

	<u>Primary Government</u>	<u>Component Unit</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 942,196	\$ 865,837
Pooled Investments	47,282,024	1,867,711
Receivables:		
Due from Others, Net of Allowance for Uncollectible		
Accounts of \$3,519,934	1,377,795	21,745
Accrued Interest	38,342	13,811
Property Taxes - Succeeding Year	7,538,534	-
Student Loans	21,688	-
Loans Receivable, Net	-	60,001
Iowa Industrial New Jobs Training Program	251,209	-
Due From Other Governments	2,583,326	-
Prepaid Expenses	67,786	-
Inventories	172,913	-
Bond Issue Costs	40,269	-
Total Current Assets	<u>60,316,082</u>	<u>2,829,105</u>
Noncurrent Assets		
Pooled Investments	7,914,011	1,136,652
Receivables:		
Iowa Industrial New Jobs Training Program	5,010,520	-
Bond Issue Costs	159,380	-
Life Insurance Cash Value	-	17,982
Capital Assets:		
Land	379,179	375,841
Construction in Progress	6,681,038	-
Buildings	36,945,220	-
Other Structures and Improvements	12,949,992	-
Furniture and Equipment	11,170,740	-
Accumulated Depreciation	<u>(24,969,109)</u>	<u>-</u>
Total Noncurrent Assets	<u>56,240,971</u>	<u>1,530,475</u>
TOTAL ASSETS	<u>\$ 116,557,053</u>	<u>\$ 4,359,580</u>

HAWKEYE COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
JUNE 30, 2010

	<u>Primary Government</u>	<u>Component Unit</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 1,304,163	\$ 677
Salaries and Benefits Payable	2,119,193	-
Accrued Interest Payable	93,735	280
Deferred Revenue:		
Succeeding Year Property Tax	7,538,534	-
Other	1,624,232	-
Early Retirement Payable	889,532	-
Assets Held in Custody for Others	1,015,842	-
Certificates Payable	5,700,000	-
General Obligation School Bonds	1,840,000	-
Notes Payable	-	16,913
	<u>22,125,231</u>	<u>17,870</u>
Total Current Liabilities		
Noncurrent Liabilities		
Deferred Revenue - Other	529,627	-
Compensated Absences	687,131	-
Early Retirement Payable	1,062,123	-
Certificates Payable	17,300,000	-
General Obligation School Bonds	4,485,000	-
Notes Payable	-	16,844
Net Other Post-Employment Benefits Liability	270,090	-
	<u>24,333,971</u>	<u>16,844</u>
Total Noncurrent Liabilities		
	<u>46,459,202</u>	<u>34,714</u>
TOTAL LIABILITIES		
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	36,443,968	342,084
Restricted:		
Nonexpendable:		
Endowment	-	1,150,051
Expendable:		
Economic Development	10,458,054	-
Property Tax Levies	2,311,871	-
Iowa New Jobs Training	1,450,576	-
Scholarships, Departmental Programs, and Loans	52,213	944,259
Loans	82,471	902,179
Debt Service	43,403	-
Cash Reserve	366,380	-
Other	3,381,533	461,488
Unrestricted	15,507,382	524,805
	<u>70,097,851</u>	<u>\$4,324,866</u>
TOTAL NET ASSETS		

See Accompanying Notes to Financial Statements

This page intentionally left blank

HAWKEYE COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2010

	Primary Government	Component Unit
REVENUES		
Operating Revenues:		
Tuition and Fees, net of scholarship allowances of \$9,407,653	\$ 7,689,451	\$ -
Federal Appropriations	16,573,673	-
Iowa Industrial New Jobs Training Program	3,294,700	-
Gifts and Grants	386,593	423,828
Auxiliary Enterprises Revenue, net of scholarship allowances of \$475,818	2,656,212	-
Miscellaneous	2,156,703	37,577
	<u>32,757,332</u>	<u>461,405</u>
Total Operating Revenues		
EXPENSES		
Operating Expenses:		
Education and Support:		
Liberal Arts and Sciences	6,034,637	-
Vocational Technical	8,410,993	-
Adult Education	1,699,953	-
Cooperative Services	7,318,191	-
General Administration	4,767,847	-
Student Services	2,358,329	-
Learning Resources	759,102	-
Physical Plant	3,180,238	-
General Institution	7,507,517	-
Auxiliary Enterprises	2,018,905	-
Scholarships and Grants	690,250	134,513
Loan Cancellations and Bad Debts	-	146,825
Administrative and Collection Costs	-	61,125
Program Costs	-	50,968
Fundraising Expenses	-	19,905
Depreciation Expense	1,981,911	-
	<u>46,727,873</u>	<u>413,336</u>
Total Operating Expenses		
Operating Income (Loss)	<u>(13,970,541)</u>	<u>48,069</u>
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	12,927,107	-
Property Taxes	6,890,306	-
Interest Income (Loss) from Investments	442,088	248,320
Loss on Sale of Capital Assets	(17,851)	-
Interest on Indebtedness	(1,251,226)	-
	<u>18,990,424</u>	<u>248,320</u>
Net Non-Operating Revenues		
Increase in Net Assets	5,019,883	296,389
Net Assets Beginning of Year	65,077,968	4,028,477
Net Assets End of Year	<u>\$ 70,097,851</u>	<u>\$ 4,324,866</u>

See Accompanying Notes to Financial Statements

**HAWKEYE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010**

	<u>Primary Government</u>
Cash Flows from Operating Activities:	
Tuition and Fees	\$ 18,565,922
Grants and Contracts	15,561,468
Iowa Industrial New Jobs Training Program	2,353,797
Payments to Employees	(27,958,827)
Payments to Suppliers	(22,728,668)
Payments to NJTP Recipients	(1,370,139)
Collection of Loans to Students	4,394
Auxiliary Enterprise Net Activity	824,332
Other Receipts	2,908,777
Miscellaneous Agency Fund Receipts	3,845,568
Miscellaneous Agency Fund Disbursements	<u>(3,763,261)</u>
Net Cash (Used) by Operating Activities	<u>(11,756,637)</u>
Cash Flows from Non-Capital Financing Activities:	
State Appropriations	12,927,107
Property Taxes	<u>6,890,306</u>
Net Cash Provided from Non-Capital Financing Activities	<u>19,817,413</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Sale of Capital Assets	960
Purchases of Capital Assets	(6,541,363)
Principal Paid on Debt and Leases	(2,495,000)
Interest Paid on Debt and Leases	<u>(1,259,993)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(10,295,396)</u>
Cash Flows from Investing Activities:	
Proceeds from Sales and Maturities of Investments	23,466,654
Purchase of Investments	(22,986,287)
Interest on Investments	<u>484,380</u>
Net Cash Provided by Investing Activities	<u>964,747</u>
Net (Decrease) in Cash	<u>(1,269,873)</u>
Cash at Beginning of Year	<u>2,212,069</u>
Cash at End of Year	<u><u>\$ 942,196</u></u>

**HAWKEYE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010**

Reconciliation of Operating Loss to Net Cash**(Used) by Operating Activities:**

Operating (Loss)	\$ (13,970,541)
Adjustments to Reconcile Operating Loss to Net Cash (Used) by Operating Activities:	
Depreciation	1,981,911
Changes in Assets and Liabilities:	
Decrease in Due From Others	569,781.00
Decrease in Notes Receivable	4,394.00
Increase in Due From Other Governments	(1,398,799.00)
Decrease in Inventories	25,146.00
Increase in Prepaid Expenses	(55,730.00)
Increase in Accounts Payable	73,549.00
Decrease in Salaries and Benefits Payable	(455,181.00)
Increase in Compensated Absences	27,505.00
Increase in Deferred Revenue	1,322,710.00
Increase in Early Retirement Payable	1,397,550.00
Decrease in NJTP Loans Payable	<u>(1,278,932.00)</u>
Total Adjustments	<u>2,213,904</u>
Net Cash (Used) by Operating Activities	<u>\$ (11,756,637)</u>

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hawkeye Community College is a publicly supported school established and operated by Merged Area VII under the provisions of Chapter 260C of the Code of Iowa. Hawkeye Community College may offer programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. Hawkeye Community College may also offer up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Hawkeye Community College maintains seven sites throughout Waterloo, Cedar Falls, and Independence, Iowa, and has its administrative offices in Waterloo. Hawkeye Community College is governed by a Board of Trustees whose members are elected from each trustee district within Merged Area VII.

The College's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Hawkeye Community College has included all funds, organizations, agencies, boards, commissions and authorities. Hawkeye Community College has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with Hawkeye Community College are such that exclusion would cause Hawkeye Community College's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the College to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on Hawkeye Community College.

These financial statements present Hawkeye Community College (the primary government) and its component unit. The component unit discussed below is included in Hawkeye Community College's reporting entity because of the significance of its operational or financial relationship with the Community College. Certain disclosures about the component unit has been audited separately and a report has been issued under a separate cover. The audited financial statements are available at the College.

Discretely Presented Component Unit

Hawkeye Community College Foundation is a non-profit corporation, whose purpose is to support the Community College through donations to provide scholarships to students, and for the enhancement and extension of facilities, equipment and services. The Foundation is governed by a Board of Trustees, two of which are appointed by the Board of Trustees of the Community College. The Foundation operates on a June 30 fiscal year end. The financial statements of Hawkeye Community College Foundation, Inc. can be obtained from: Business Services, Hawkeye Community College, 1501 E. Orange Road, P.O. Box 8015, Waterloo, IA 50704-8015.

B. Basis of Presentation

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following four net asset categories:

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Invested in Capital Assets, Net of Related Debt: Capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets:

Nonexpendable – Net assets subject to externally imposed stipulations that they be maintained permanently by the College, including the College's permanent endowment funds.

Expendable – Net assets whose use by the College is subject to externally imposed stipulations that can be fulfilled by actions of the College, pursuant to those stipulations or that expire by the passage of time.

Unrestricted Net Assets: Net assets that are not subject to externally imposed situations. Resources may be designated for specific purposes by action of management or by the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and general programs of the College.

GASB Statement No. 35 requires the Statement of Net Assets, Revenues, Expenses, and Changes in Net Assets and Cash Flows be reported on a consolidated basis. These basic financial statements report information on all of the activities of the College. For the most part, the effect of interfund activity has been removed from these statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, Hawkeye Community College is considered a special-purpose government engaged only in business type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The College applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins or the Committee on Accounting Procedure.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheets:

Cash and Pooled Investments -- Investments are stated at fair value.

For the purposes of the statement of cash flows, all short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amount of cash, and at the day of purchase, they have a maturity date no longer than three months.

Due From Other Governments -- This represents state aid, grants and reimbursements due from the State of Iowa, and grants and reimbursements due from the Federal government.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories -- Inventories are valued at lower of cost (first-in, first-out method) or market, except for the livestock and grain from the farm operations, which is valued at market value. Inventories consist of supplies and materials held for consumption, livestock and merchandise held for resale. The cost is recorded as an expenditure at the time individual inventory items are consumed or sold.

Property Tax Receivable -- Property tax receivable is recognized on the levy or lien date, which is the date that the tax asking is certified by the Board of Trustees to the appropriate County Auditors. The succeeding year property tax receivable represents taxes certified by the Board of Trustees to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Trustees is required to certify its budget to the County Auditor by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Receivable for Iowa Industrial New Jobs Training Program (NJTP) -- This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2010 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets -- Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the College), are reported. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. No interest costs were capitalized.

Capital assets are defined by the College as assets with initial, individual costs in excess of the following thresholds and estimated useful live in excess of two years. The College defines reportable capital assets as individual assets above \$ 5,000.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Other Structures and Improvements	25 - 50
Furniture and Equipment	3 - 10

The College does not capitalize or depreciate library books. The value of each book falls below the capital asset threshold and the balance was deemed immaterial to the financial statements.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Salaries and Benefits Payable -- Payroll and related expenses for instructors with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue -- When assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue. Deferred revenue consists of succeeding year property tax receivable, tuition deposits, tuition and fees for a portion of summer classes, fees and registration for fall, unearned revenue on 260E and 260F projects, unearned revenue on federal funds.

Compensated Absences -- College employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences plus related benefits are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2010 and the last-in, first-out methodology. In the past three years, the number of hours of vacation utilized has been less than the current year additions, thus these liabilities are classified as long-term.

Auxiliary Enterprise Revenues -- Auxiliary enterprise revenues primarily represent revenues generated by career education, adult education, farm operations, and food service.

Summer Session -- The Community College operates summer sessions during May, June, and July. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the summer session class schedule.

Tuition and Fees -- Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship expenses.

Operating and Non-operating Activities -- Operating activities, as reported in the Statement of Revenues, Expenses and Changes in Net Assets, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Non-operating activities include state appropriations, property tax and interest income.

E. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officer (NACUBO). Certain aid (loans and funds provided to students as awarded by third parties) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 2 -- CASH AND POOLED INVESTMENTS

The College's deposits in banks at June 30, 2010, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Community College is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Trustees; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. The College's investment policy additionally limits investments in commercial paper to obligations that mature within 270 days and that is rated within the two highest classifications, as established by at least one of the standard rating services, with no more than five percent at the time of purchase placed in the second highest classification. At the time of purchase not more than ten percent of the investment portfolio can be in these investments and no more than five percent of the investment portfolio can be invested in the securities of a single issuer.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

At June 30, 2010, the Community College had the following investments:

Current Pooled Investments	\$ 47,282,024
Noncurrent Pooled Investments	7,914,011
	<u>\$ 55,196,035</u>

Investment Type	Fair Value	Investment Maturities (in years)	
		Less than 1	1 to 5
Money Market Mutual Fund	\$ 31,942,870	\$ 31,942,870	\$ -
Certificates of Deposit	638,263	638,263	-
U.S Government Securities	22,614,902	14,700,891	7,914,011
	<u>\$ 55,196,035</u>	<u>\$ 47,282,024</u>	<u>\$ 7,914,011</u>

Interest rate risk - The Community College's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the Community College.

Credit risk - The Community College's investments in Money Market Mutual Funds are unrated.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 2 -- CASH AND POOLED INVESTMENTS (Continued)

Concentration of credit risk. The College's investment policy seeks to provide safety of the principal, maintain the necessary liquidity to match expected liabilities, and obtain a reasonable rate of return. The policy allows for investments of up to 100% in interest bearing savings, money market and checking accounts, certificates of deposits, repurchase agreements, money market mutual funds, bonds, notes, certificates of indebtedness, treasury bills or other securities issued by the United States of America, its agencies and allowable instrumentalities; up to 10% in prime bankers' acceptances; and up to 10% in commercial paper. The policy does not allow the College to invest in futures, options or reverse purchase agreements.

Component Unit Investments. Investments are managed by the Foundation and external managers, in accordance with Board policy, and are stated at fair value. Fair value of the investments has been determined as of June 30. Values have not been adjusted for market fluctuations subsequent to June 30. Accounting principles generally accepted in the United States of America require adjustment of year end values only when the value has been permanently impaired. Management does not feel market fluctuations after year end have caused permanent impairment to its investment portfolio. A summary of the securities held at June 30, 2010 follows:

	<u>Fair Value</u>
Common Stocks	\$ 511,151
Common Stocks - Foreign	37,805
Corporate Bonds	290,613
U.S. Government Agency Bonds	507,997
Mutual Equity Funds	761,576
Mutual Equity Funds - Foreign	189,800
Mutual Income Funds	705,422
Certificate of Deposit	<u>473,216</u>
	<u><u>\$ 3,477,580</u></u>

Note 3 -- LOANS RECEIVABLE (Component Unit)

The Foundation, a component unit to the College, makes loans to students of the College to be used primarily for the cost of tuition and books. These loans generally become payable upon the student's completion of or withdrawal from higher education programs. The Tyson, Cedar Valley Corporation and John Deere loans become forgivable upon the completion of the program and two or three years of employment with the respective companies.

Loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible or forgivable amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to loans receivable. Interest rates and terms vary by program. Below is a summary of loans receivable:

	<u>2010</u>
Loans Receivable	\$ 509,276
Less Allowance for Uncollectible Loans	(16,743)
Less Allowance for Forgivable Loans	<u>(432,532)</u>
Net Loans Receivable	<u><u>\$ 60,001</u></u>

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 4 -- INVENTORIES

The Community College's inventories at June 30, 2010 are as follows:

<u>Type</u>	<u>Amount</u>
Supplies and Materials	\$ 43,140
Farm Operations	85,556
Merchandise Held for Resale	<u>44,217</u>
 Total	 <u><u>\$ 172,913</u></u>

Note 5 -- CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Capital assets not being depreciated:				
Land	\$ 379,179	\$ -	\$ -	\$ 379,179
Construction in progress	3,779,036	5,059,671	2,157,669	6,681,038
Total capital assets not being depreciated	<u>4,158,215</u>	<u>5,059,671</u>	<u>2,157,669</u>	<u>7,060,217</u>
Capital assets being depreciated:				
Buildings	36,945,220	-	-	36,945,220
Other structures and improvements	10,262,207	2,687,785	-	12,949,992
Furniture and equipment	10,353,541	1,122,137	304,938	11,170,740
Total capital assets being depreciated	<u>57,560,968</u>	<u>3,809,922</u>	<u>304,938</u>	<u>61,065,952</u>
Less accumulated depreciation for:				
Buildings	13,676,754	629,979		14,306,733
Other structures and improvements	3,194,386	567,501	-	3,761,887
Furniture and equipment	6,402,185	784,431	286,127	6,900,489
Total accumulated depreciation	<u>23,273,325</u>	<u>1,981,911</u>	<u>286,127</u>	<u>24,969,109</u>
Total capital assets being depreciated, net	<u>34,287,643</u>	<u>1,828,011</u>	<u>18,811</u>	<u>36,096,843</u>
Capital assets, net	<u><u>\$ 38,445,858</u></u>	<u><u>\$ 6,887,682</u></u>	<u><u>\$ 2,176,480</u></u>	<u><u>\$ 43,157,060</u></u>

Furniture and Equipment of \$388,092 is included in the Agency Fund.

On June 30, 2010, the Community College had future construction commitments of \$3,136,571. Construction in Progress projects as of June 30, 2010 include: Bremer Hall Interior Remodel, Butler Hall Interior Remodel, Grundy Hall Interior Remodel, Health Education and Services Center, Soccer Field Bubble, NW Entrance Road, and Tunnel Piping Extension and Replacement.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 5 -- CAPITAL ASSETS (Continued)

Reconciliation of Investment in Capital Assets, Net of Related Debt:

Land	\$ 379,179
Buildings	36,945,220
Construction in Progress	6,681,038
Other Structures and Improvements	12,949,992
Furniture and Equipment	11,170,740
Accumulated Depreciation	<u>(24,969,109)</u>
Capital Assets (Net of Accumulated Depreciation)	43,157,060
Less: Agency Fund Capital Assets	(388,092)
Less: Bonds Payable	<u>(6,325,000)</u>
Investment in Capital Assets, Net of Related Debt	<u><u>\$36,443,968</u></u>

Agency Fund Capital Assets include Furniture and Equipment held in the Agency Fund.

Capital Assets for the College's Foundation, a component unit, for the year ended June 30, 2010 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 375,841	\$ -	\$ -	\$ 375,841
Total capital assets not being depreciated	<u>\$ 375,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,841</u>

Note 6 -- LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2010 is as follows:

	Balance Beginning of Year	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
Compensated Absences	\$ 659,626	\$ 542,812	\$ (515,307)	\$ 687,131	\$ -
Early Retirement Payable	554,105	1,538,277	(140,727)	1,951,655	889,532
Certificates Payable	24,340,000	5,635,000	(6,975,000)	23,000,000	5,700,000
Bonds Payable	8,820,000	-	(2,495,000)	6,325,000	1,840,000
Net OPEB Liability	135,045	135,045	-	270,090	-
Total Primary Government	<u>\$ 34,508,776</u>	<u>\$ 7,851,134</u>	<u>\$ (10,126,034)</u>	<u>\$ 32,233,876</u>	<u>\$ 8,429,532</u>
Component Unit:					
Notes Payable	\$ 50,000	\$ -	\$ (16,243)	\$ 33,757	\$ 16,913
Total Component Unit	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ (16,243)</u>	<u>\$ 33,757</u>	<u>\$ 16,913</u>

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 6 -- LONG-TERM DEBT (Continued)

Certificates Payable

In accordance with agreements dated between June 30, 1996 and June 30, 2010, the Community College issued certificates with a June 30, 2010 outstanding balance of \$23,000,000 with interest rates ranging from 1.20% to 6.50%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest is payable semi-annually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves, and, in the case of default, from standby property taxes. During June 2010, Hawkeye Community College issued \$3,400,000 in refunding certificates, proceeds of which were received prior to June 30 and the principal of the previously issued certificates was paid during July 2010. During 2010, Hawkeye Community College recorded \$990,577 of interest expense from the certificates payable.

The certificates will mature as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 5,700,000	\$ 832,113	\$ 6,532,113
2012	2,975,000	738,465	3,713,465
2013	2,740,000	642,388	3,382,388
2014	2,480,000	543,195	3,023,195
2015	2,500,000	546,450	3,046,450
2016-2020	6,605,000	787,613	7,392,613
Total	<u>\$ 23,000,000</u>	<u>\$ 4,090,224</u>	<u>\$ 27,090,224</u>

Bonds Payable

On October 1, 2006, Hawkeye Community College issued \$6,100,000 in general obligation school bonds, to finance the improvement of its Main Campus and construct, remodel, erect and equip buildings thereon, and construct, lease, or acquire and improve and equip new or existing facilities. Annual principal payments began June 1, 2007. Interest payments are due semi-annually each June and December. The capital loan notes will mature June 2012. The balance of the general obligation school bonds at June 30, 2010, was \$2,000,000.

On May 1, 2008, Hawkeye Community College issued \$6,850,000 in general obligation school bonds, to finance the improvement of its Main Campus and construct, remodel, erect and equip buildings thereon, and construct, lease, or acquire and improve and equip new or existing facilities. Annual principal payments began June 1, 2009. Interest payments are due semi-annually each June and December. The capital loan notes will mature June 2014. The balance of the general obligation school bonds at June 30, 2010, was \$4,325,000.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 6 -- LONG-TERM DEBT (Continued)

Details of the Community College's June 30, 2010 bonded indebtedness maturities are as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 1,840,000	\$ 196,097	\$ 2,036,097
2012	1,685,000	139,258	1,824,258
2013	1,380,000	85,420	1,465,420
2014	1,420,000	44,020	1,464,020
Total	<u>\$ 6,325,000</u>	<u>\$ 464,795</u>	<u>\$ 6,789,795</u>

Notes Payable (Component Unit)

Notes payable in the College's Foundation, a component unit consists of:

Note payable to Community National Bank, with an interest rate of 3.99% during the first year and 4.96% thereafter until maturity. This note is unsecured with payments of \$9,075 due semi-annually on May and November, with the final payment due April 10, 2012.

Details of the Endowment's Notes Payable principal payments are as follows:

Year Ending June 30,	Principal
2011	\$ 16,913
2012	<u>16,844</u>
Total	<u>\$ 33,757</u>

Note 7 – OPERATING LEASES

The College has leased various facilities within the area to house different divisions of the College. These leases have been classified as operating leases and, accordingly, all rents are expensed as incurred. The leases expire between 2011 and 2015 and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects the leases will be renewed or replaced by other leases.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 7 -- OPERATING LEASES (Continued)

The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2010:

Year Ending June 30,	Amount
2011	\$ 288,488
2012	260,906
2013	205,102
2014	205,102
2015	10,466
Total	<u>\$ 970,064</u>

Rents for the year ended June 30, 2010 for all operating leases, except those with terms of a month or less that were not renewed, totaled \$398,478.

Note 8 -- IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

The Community College contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing, multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.30% of their annual covered salary and Hawkeye Community College is required to contribute 6.65% of annual covered salary. Contribution requirements are established by state statute. Hawkeye Community College's contributions to IPERS for the years ended June 30, 2010, 2009, and 2008 were \$503,571, \$537,200, and \$507,045, respectively, equal to the required contribution for each year.

Note 9 -- TEACHERS INSURANCE AND ANNUITY ASSOCIATION -- COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)

The Community College contributes to the TIAA-CREF retirement program, which is a defined contribution plan. TIAA administers the retirement plan for Hawkeye Community College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 4.30% and Hawkeye Community College is required to contribute 6.65%. The Community College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2010, were \$697,135 and \$451,029, respectively.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description- The College operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 331 active and 43 retired members in the plan. The plan does not issue a publicly available financial report.

The medical/prescription drug coverage is provided through a fully-insured plan. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy- The contribution requirements of plan members are established and may be amended by the College. The College currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The College's annual OPEB cost is calculated based on the annual required contribution (ARC) of the College, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the College's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the College's net OPEB obligation:

Annual Required Contribution	\$ 135,045
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Cost	<u>135,045</u>
Expected Contributions Made	-
Increase in Net OPEB Obligation	<u>135,045</u>
Net OPEB Obligation Beginning of Year	<u>135,045</u>
Expected Net OPEB Obligation End of Year	<u><u>\$ 270,090</u></u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2010 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 135,045	0%	\$ 270,090

Funded Status and Funding Progress- As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$1,790,157, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,790,157. The covered payroll (annual payroll of active employees covered by the plan) was \$15,164,224 and the ratio of the UAAL to covered payroll was 11.8%. As of June 30, 2010, there were no trust fund assets.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 10- OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Methods and Assumptions- Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2008 actuarial valuation date, the Projected Unit Credit Actuarial Cost Method was used. The actuarial value of assets is to be equal to the fair market value of assets. The actuarial assumptions include a 4.25% investment return. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 1% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. The salary increase rate was assumed to be 2.25% per year. The UAAL is being amortized as a level dollar amount on an open basis over 30 years.

Note 11 -- RISK MANAGEMENT

The Community College has secured insurance purchased from commercial insurance carriers to provide coverage and protection in the following categories: general liability, automobile liability, group excess liability, linebacker, pollution liability, professional services, property and inland marine, workers compensation and employers' liability, and crime insurance. There have been no reductions in insurance coverage from prior years. Settled claims resulting from the risks have not exceeded commercial insurance coverage in any of the past three years.

Note 12 -- NEW JOBS TRAINING PROGRAMS

Hawkeye Community College administers the Iowa Industrial New Jobs Training Program (NJTP) in Merged Area VII in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the Community College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property tax. The Community College is currently administering 126 projects receiving project funding or in the repayment stage.

Hawkeye Community College also administers the Iowa Small Business New Jobs Training Program (SBNJTP) in Merged Area VII in accordance with Chapter 260F of the Code of Iowa. SBNJTP's purpose is to provide tax-aided training or retraining for employees of small businesses which are new to or are expanding their operations within the State of Iowa. Approved small businesses receive loans from the Iowa Employment Training Fund, a State administered fund. The Community College received funding for 11 projects during fiscal year 2010.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Note 13 -- EARLY RETIREMENT PROGRAM

On February 23, 2010, the Board of Trustees passed a Voluntary Early Retirement Plan. All full-time staff that were 55 years of age by the end of the contract year and who had at least 10 years of full-time service with the Community College were eligible for early retirement remuneration. Early retirement was effective at the end of the employee's contract or the College's fiscal year, whichever period was applicable. The benefits were equal to the College making a payment of a total of \$60,000 to a VEBA Trust account. Payments will be made on the following schedule: \$10,000 on the 1st day of the month following the date of retirement; \$15,000 on February 1, 2011; \$20,000 on February 1, 2010; and \$15,000 on February 1, 2013. Eligible employees retiring before reaching 65 year of age are entitled to continue their participation in the College's health insurance program, at their own expense, until they reach 65 years of age.

The College had an early retirement plan which expired during the year ended June 30, 2006. Full-time and certain regular part-time staff, who were 55 or older and who had at least 10 years of continuous service with the College, were eligible to receive early retirement remuneration. Retirement was to begin at the earlier of the end of the employee's contract or when a suitable replacement is found, if so requested. A staff member who accepted early retirement had three options to choose from as to when the cash benefits were to be received. In addition, the College will continue to contribute monthly amounts toward the employee's health insurance premiums.

At June 30, 2010, there were 31 participants receiving medical coverage and 27 participants expecting to receive payments under these plans, with a total liability of payments and medical coverage of \$1,951,655. The liability is calculated based on unadjusted premium amounts to be paid over the term of each employee's involvement in the plan. The Community College's early retirement expense for the year ended June 30, 2010 was \$1,427,359.

Note 14 – SUBSEQUENT EVENTS

During July 2010, the Board of Trustees approved the exchange of 22.73 acres of Hawkeye Community College property for 22.77 acres of Hawkeye Community College Foundation property.

On August 31, 2010, the Board of Trustees accepted the resignation of Dr. Greg Schmitz, President of Hawkeye Community College, effective December 1, 2010. Appointed Dr. Linda Allen as Interim President, effective September 25, 2010.

Required Supplementary Information

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION**

(in thousands)

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2009	July 1, 2008	\$ -	\$ 1,790	\$ 1,790	0.0%	\$ 15,164	11.8%
2010	July 1, 2008	\$ -	\$ 1,790	\$ 1,790	0.0%	\$ 15,164	11.8%

See Note 10 to the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, and the funded status and funding progress.

Other Supplementary Information

HAWKEYE COMMUNITY COLLEGE
NOTES TO OTHER SUPPLEMENTARY INFORMATION SCHEDULES
JUNE 30, 2010

Other supplementary information of the College is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures. The various fund groups and their designated purposes are as follows:

Current Funds -- The Current Funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the Community College and consist of the following:

Unrestricted Fund -- The Educational and Support subgroup of the Unrestricted Fund accounts for the general operations of the Community College.

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff and/or institutional departments, and which are supplemental to the educational and general objectives of the Community College.

Restricted Fund -- The Restricted Fund is used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by donors or outside agencies.

Plant Funds -- The Plant Funds are used to account for transactions relating to investment in the Community College properties, and consist of the following self-balancing subfunds:

Unexpended -- This account is used to account for the unexpended resources derived from various sources for the acquisition or construction of plant assets.

Retirement of Indebtedness -- This account is used to account for the accumulation of resources for principal and interest payments on plant indebtedness.

Investment in Plant -- This account is used to account for the excess of the carrying value of plant assets over the related liabilities.

Agency Funds -- The Agency Funds are used to account for assets held by the Community College in a custodial capacity or as an agent for others. Agency Funds' assets equal liabilities.

The Budgetary Comparison Schedule of Expenditures -- Budget to Actual provides a comparison of the budget to actual expenditures for those funds and/or levies required to be budgeted. Since the College uses the Business-Type Activities reporting, this budgetary comparison information is included as other supplementary information.

Schedules presented in other supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting with modifications for depreciation and other items included in the adjustments column. The schedule of revenues, expenditures and changes in fund balances is a schedule of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses.

HAWKEYE COMMUNITY COLLEGE
BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL - OTHER SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2010

<u>Funds/Levy</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance between Actual and Budget</u>
Unrestricted	<u>\$ 30,328,310</u>	<u>\$ 30,328,310</u>	<u>\$ 29,687,934</u>	<u>\$ 640,376</u>
Restricted	15,323,468	15,323,468	6,415,913	8,907,555
Early Retirement	314,328	314,328	1,427,359	(1,113,031)
Unemployment	20,000	20,000	251,945	(231,945)
Tort Liability	150,709	150,709	126,308	24,401
Insurance	408,149	408,149	390,247	17,902
Equipment Replacement	648,643	648,643	345,683	302,960
Total Restricted	<u>16,865,297</u>	<u>16,865,297</u>	<u>8,957,455</u>	<u>7,907,842</u>
Plant	6,650,000	10,000,000	6,934,977	3,065,023
Bonds and Interest	<u>2,762,117</u>	<u>2,762,500</u>	<u>2,755,649</u>	<u>6,851</u>
 Total	 <u>\$ 56,605,724</u>	 <u>\$ 59,956,107</u>	 <u>\$ 48,336,015</u>	 <u>\$ 11,620,092</u>

HAWKEYE COMMUNITY COLLEGE
NOTE TO OTHER SUPPLEMENTAL INFORMATION – BUDGETARY REPORTING
JUNE 30, 2010

While the College reports financial position, results of operation and changes in net assets on the basis of generally accepted accounting principles (GAAP), the Board of Trustees annually prepares a budget designating the proposed expenditures for operation of the Community College on a budgetary basis that is accrual basis with the exception of capital outlay and debt service payments. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Trustees certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

Budgets are not required to be adopted for the Auxiliary Enterprises subgroup, Scholarships and Grants Accounts, Workforce Act, Loan Funds, Endowment Funds and Agency Funds.

The major differences between the budget basis and GAAP are as follows:

Schedule of Expenditures

	<u>Total Funds</u>
Budget Basis	\$ 48,336,015
Adjustments:	
Capital Outlay	(6,248,131)
Debt Service Payments	(2,495,000)
Depreciation Expense	1,981,911
Loss on Sale of Asset	<u>17,851</u>
GAAP Basis	<u><u>\$ 41,592,646</u></u>

HAWKEYE COMMUNITY COLLEGE
COMBINING BALANCE SHEET
JUNE 30, 2010

	Current Funds	
	Unrestricted	Restricted
ASSETS:		
Cash and Investments	\$ 15,392,863	\$ 37,205,297
Receivables:		
Due From Others	1,164,349	163,446
Accrued Interest	37,200	959
Property Taxes - Succeeding Year	1,490,510	1,832,481
Student Loans	-	21,688
Iowa Industrial New Jobs Training Program	-	5,261,729
Due From Other Governments	936,075	1,025,423
Prepaid Expenses	67,786	-
Inventories	172,913	-
Bond Issue Costs	-	178,694
Capital Assets:		
Land	-	-
Buildings	-	-
Construction in Progress	-	-
Other Structures and Improvements	-	-
Furniture and Equipment	-	-
Accumulated Depreciation	-	-
Total Assets	<u>\$ 19,261,696</u>	<u>\$ 45,689,717</u>
LIABILITIES AND FUND EQUITY:		
Liabilities:		
Accounts Payable	\$ 1,228,809	\$ 75,354
Salaries and Benefits Payable	2,045,018	56,546
Accrued Interest Payable	-	77,394
Deferred Revenue:		
Succeeding Year Property Tax	1,490,510	1,832,481
Other	1,485,689	668,170
Early Retirement Payable	398,813	1,552,842
Compensated Absences	612,257	53,742
Assets Held in Custody For Others	-	-
Certificates Payable	-	23,000,000
General Obligation School Bonds	-	-
Net OPEB Liability	-	270,090
Total Liabilities	7,261,096	27,586,619
Fund Balance:		
Invested in Capital Assets, Net of Related Debt	-	-
Restricted:		
Expendable:		
Economic Development	-	10,458,054
Property Tax Levies	-	2,311,871
Iowa New Jobs Training	-	1,450,576
Scholarships	-	52,213
Loans	-	82,471
Debt Service	-	-
Cash Reserve	-	366,380
Other	-	3,381,533
Unrestricted	7,584,010	-
Auxiliary Enterprises	4,416,590	-
Total Fund Balance	<u>12,000,600</u>	<u>18,103,098</u>
Total Liabilities and Fund Balance	<u>\$ 19,261,696</u>	<u>\$ 45,689,717</u>

SCHEDULE 2

Plant Funds		Investment in Plant	Agency Funds	Adjustments	Total
Unexpended	Retirement of Indebtedness				
\$ 2,873,560	\$ -	\$ -	\$ 666,511	\$ -	\$ 56,138,231
50,000	-	-	-	-	1,377,795
183	-	-	-	-	38,342
1,490,510	2,725,033	-	-	-	7,538,534
-	-	-	-	-	21,688
-	-	-	-	-	5,261,729
583,039	38,789	-	-	-	2,583,326
-	-	-	-	-	67,786
-	-	-	-	-	172,913
-	20,955	-	-	-	199,649
-	-	379,179	-	-	379,179
-	-	36,945,220	-	-	36,945,220
-	-	6,681,038	-	-	6,681,038
-	-	12,949,992	-	-	12,949,992
-	-	10,782,648	388,092	-	11,170,740
-	-	-	-	(24,969,109)	(24,969,109)
<u>\$ 4,997,292</u>	<u>\$ 2,784,777</u>	<u>\$ 67,738,077</u>	<u>\$ 1,054,603</u>	<u>\$ (24,969,109)</u>	<u>\$ 116,557,053</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,304,163
-	-	-	17,629	-	2,119,193
-	16,341	-	-	-	93,735
1,490,510	2,725,033	-	-	-	7,538,534
-	-	-	-	-	2,153,859
-	-	-	-	-	1,951,655
-	-	-	21,132	-	687,131
-	-	-	1,015,842	-	1,015,842
-	-	-	-	-	23,000,000
-	-	6,325,000	-	-	6,325,000
-	-	-	-	-	270,090
1,490,510	2,741,374	6,325,000	1,054,603	-	46,459,202
-	-	61,413,077	-	(24,969,109)	36,443,968
-	-	-	-	-	10,458,054
-	-	-	-	-	2,311,871
-	-	-	-	-	1,450,576
-	-	-	-	-	52,213
-	-	-	-	-	82,471
-	43,403	-	-	-	43,403
-	-	-	-	-	366,380
-	-	-	-	-	3,381,533
3,506,782	-	-	-	-	11,090,792
-	-	-	-	-	4,416,590
<u>3,506,782</u>	<u>43,403</u>	<u>61,413,077</u>	<u>-</u>	<u>(24,969,109)</u>	<u>70,097,851</u>
<u>\$ 4,997,292</u>	<u>\$ 2,784,777</u>	<u>\$ 67,738,077</u>	<u>\$ 1,054,603</u>	<u>\$ (24,969,109)</u>	<u>\$ 116,557,053</u>

HAWKEYE COMMUNITY COLLEGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER CHANGES IN FUND BALANCES (Continued)
YEAR ENDED JUNE 30, 2010

	Current Funds	
	Unrestricted	Restricted
REVENUES AND OTHER ADDITIONS:		
General:		
State Appropriations	\$ 10,971,634	\$ 1,297,159
Tuition and Fees	17,097,104	-
Property Taxes	1,454,549	1,217,024
Federal Appropriations	2,100,127	13,908,166
Gifts and Grants	-	188,576
Investment Earnings	96,051	336,102
Iowa Industrial New Jobs Training Program	-	3,294,700
Expended for Plant Facilities (Including \$983,731 charged to current funds)	-	-
Principal Retired	-	-
Miscellaneous	830,651	1,327,012
	<u>32,550,116</u>	<u>21,568,739</u>
Auxiliary Enterprises		
Tuition and Fees	985,730	-
Sales and Services	1,719,870	-
Miscellaneous	426,430	-
	<u>3,132,030</u>	<u>-</u>
Total Revenues and Other Additions	<u>\$ 35,682,146</u>	<u>\$ 21,568,739</u>

SCHEDULE 3

Plant Funds				
Unexpended	Retirement of Indebtedness	Investment in Plant	Adjustments	Total
\$ 658,314	\$ -	\$ -	\$ -	\$ 12,927,107
-	-	-	(9,407,653)	7,689,451
1,453,401	2,765,332	-	-	6,890,306
565,380	-	-	-	16,573,673
198,017	-	-	-	386,593
9,935	-	-	-	442,088
-	-	-	-	3,294,700
-	-	6,552,958	(6,552,958)	-
-	-	2,495,000	(2,495,000)	-
-	-	-	(960)	2,156,703
<u>2,885,047</u>	<u>2,765,332</u>	<u>9,047,958</u>	<u>(18,456,571)</u>	<u>50,360,621</u>
-	-	-	(475,818)	509,912
-	-	-	-	1,719,870
-	-	-	-	426,430
<u>-</u>	<u>-</u>	<u>-</u>	<u>(475,818)</u>	<u>2,656,212</u>
<u>\$ 2,885,047</u>	<u>\$ 2,765,332</u>	<u>\$ 9,047,958</u>	<u>\$ (18,932,389)</u>	<u>\$ 53,016,833</u>

**HAWKEYE COMMUNITY COLLEGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER CHANGES IN FUND BALANCES (Continued)
YEAR ENDED JUNE 30, 2010**

	Current Funds	
	Unrestricted	Restricted
EXPENDITURES AND OTHER DEDUCTIONS:		
Educational and Support:		
Liberal Arts and Sciences	\$ 6,034,637	\$ -
Vocational Technical	8,571,867	-
Adult Education	1,705,003	-
Cooperative Services	-	7,318,191
General Administration	2,627,624	2,140,223
Student Services	2,358,329	-
Learning Resources	762,633	-
Physical Plant	2,863,341	552,442
General Institution	4,764,500	1,651,169
Total Education and Support	29,687,934	11,662,025
Auxiliary Enterprises	2,314,838	-
Scholarships and Grants	-	10,573,721
Plant Asset Acquisitions	-	-
Retirement of Indebtedness	-	-
Disposal of Plant Assets	-	-
Interest on Indebtedness	-	990,577
Depreciation	-	-
Loss on Sale of Capital Assets	-	-
Total Expenditures and Other Deductions	32,002,772	23,226,323
Excess of Revenues and Other Additions		
Over (Under) Expenditures and Other Deductions	3,679,374	(1,657,584)
TRANSFERS:		
Non-mandatory Transfers	(201,796)	(298,204)
Total Transfers	(201,796)	(298,204)
Net Increase (Decrease) for the Year	3,477,578	(1,955,788)
Fund Balance June 30, 2009	8,523,022	20,058,886
Fund Balance June 30, 2010	\$ 12,000,600	\$ 18,103,098

SCHEDULE 3

Plant Funds				
Unexpended	Retirement of Indebtedness	Investment in Plant	Adjustments	Total
\$ -	\$ -	\$ -	\$ -	\$ 6,034,637
-	-	-	(160,874)	8,410,993
-	-	-	(5,050)	1,699,953
-	-	-	-	7,318,191
-	-	-	-	4,767,847
-	-	-	-	2,358,329
-	-	-	(3,531)	759,102
-	-	-	(235,545)	3,180,238
1,365,750	8,896	-	(282,798)	7,507,517
1,365,750	8,896	-	(687,798)	42,036,807
-	-	-	(295,933)	2,018,905
-	-	-	(9,883,471)	690,250
5,569,227	-	-	(5,569,227)	-
-	2,495,000	-	(2,495,000)	-
-	-	304,938	(304,938)	-
-	260,649	-	-	1,251,226
-	-	-	1,981,911	1,981,911
-	-	-	17,851	17,851
6,934,977	2,764,545	304,938	(17,236,605)	47,996,950
(4,049,930)	787	8,743,020	(1,695,784)	5,019,883
478,513	(4,657)	26,144	-	-
478,513	(4,657)	26,144	-	-
(3,571,417)	(3,870)	8,769,164	(1,695,784)	5,019,883
7,078,199	47,273	52,643,913	(23,273,325)	65,077,968
\$ 3,506,782	\$ 43,403	\$ 61,413,077	\$ (24,969,109)	\$ 70,097,851

**HAWKEYE COMMUNITY COLLEGE
UNRESTRICTED FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCE
EDUCATION AND SUPPORT
YEAR ENDED JUNE 30, 2010**

	Education		
	Liberal Arts and Sciences	Vocational Technical	Adult Education
REVENUES:			
State Appropriations	\$ -	\$ 76,776	\$ 399,929
Tuition and Fees	8,272,325	8,044,423	759,227
Property Taxes	-	-	-
Federal Appropriations	-	400,866	220,522
Investment Earnings	-	-	-
Miscellaneous	-	4,046	23,979
	<u>8,272,325</u>	<u>8,526,111</u>	<u>1,403,657</u>
Allocation of Support Services	<u>5,568,468</u>	<u>7,545,625</u>	<u>1,233,930</u>
Total Revenues	<u>13,840,793</u>	<u>16,071,736</u>	<u>2,637,587</u>
EXPENDITURES:			
Salaries and Benefits	5,717,295	7,477,639	1,539,996
Services	116,298	227,916	61,925
Materials and Supplies	138,037	678,056	93,849
Travel	23,747	27,382	4,083
Expended for Plant Facilities	-	160,874	5,050
Miscellaneous	39,260	-	100
	<u>6,034,637</u>	<u>8,571,867</u>	<u>1,705,003</u>
Allocation of Support Services	<u>5,191,391</u>	<u>7,034,663</u>	<u>1,150,373</u>
Total Expenditures	<u>11,226,028</u>	<u>15,606,530</u>	<u>2,855,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,614,764</u>	<u>\$ 465,206</u>	<u>\$ (217,789)</u>
TRANSFERS:			
Non-mandatory Transfers	<u>17,752</u>	<u>131,886</u>	<u>(2,030)</u>
Total Transfers	<u>17,752</u>	<u>131,886</u>	<u>(2,030)</u>
Net Increase (Decrease) for the Year	<u>\$ 2,632,516</u>	<u>\$ 597,092</u>	<u>\$ (219,819)</u>

Fund Balance June 30, 2009

Fund Balance June 30, 2010

Note: The support services allocations are based on the percentage of contact hours reported.

SCHEDULE 4

Support					
General Administration	Student Services	Learning Resources	Physical Plant	General Institution	Total
\$ -	\$ -	\$ 785	\$ -	\$ 10,494,144	\$ 10,971,634
-	21,129	-	-	-	17,097,104
1,454,549	-	-	-	-	1,454,549
13,850	-	-	-	1,464,889	2,100,127
96,051	-	-	-	-	96,051
371,007	12,063	152,791	3,036	263,729	830,651
1,935,457	33,192	153,576	3,036	12,222,762	32,550,116
(1,935,457)	(33,192)	(153,576)	(3,036)	(12,222,762)	-
-	-	-	-	-	32,550,116
1,562,128	2,086,859	478,178	170,022	2,952,744	21,984,861
235,394	161,815	50,512	2,552,271	1,184,536	4,590,667
31,630	90,761	229,683	139,843	332,981	1,734,840
22,857	18,894	729	1,205	23,035	121,932
-	-	3,531	-	271,204	440,659
775,615	-	-	-	-	814,975
2,627,624	2,358,329	762,633	2,863,341	4,764,500	29,687,934
(2,627,624)	(2,358,329)	(762,633)	(2,863,341)	(4,764,500)	-
-	-	-	-	-	29,687,934
\$ -	\$ -	\$ -	\$ -	\$ -	2,862,182
(30,371)	(12,337)	-	-	(278)	104,622
(30,371)	(12,337)	-	-	(278)	104,622
\$ (30,371)	\$ (12,337)	\$ -	\$ -	\$ (278)	2,966,804
					4,617,206
					\$ 7,584,010

This page intentionally left blank

**HAWKEYE COMMUNITY COLLEGE
CURRENT UNRESTRICTED FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCE
AUXILIARY ENTERPRISES
YEAR ENDED JUNE 30, 2010**

	Career Education	Adult Education	Farm Operations	Food Service	Other	Total
REVENUES:						
Sales and Services	\$ 1,240,853	\$ 520	\$ 272,624	\$ 33,439	\$ 172,434	\$ 1,719,870
Tuition and Fees	-	374,535	-	-	611,195	985,730
Miscellaneous	2,035	4,037	1,310	-	419,048	426,430
Total Revenues	1,242,888	379,092	273,934	33,439	1,202,677	3,132,030
EXPENDITURES:						
Salaries and Benefits	116,169	-	-	-	208,218	324,387
Services	3,460	14,944	24,987	715	244,687	288,793
Materials and Supplies	519,953	418,380	180,307	9,846	124,150	1,252,636
Cost of Goods Sold	141,781	-	-	-	-	141,781
Travel	3,984	4,828	-	-	1,686	10,498
Expended for Plant Facilities	-	-	15,324	-	280,609	295,933
Miscellaneous	-	-	-	-	810	810
Total Expenditures	785,347	438,152	220,618	10,561	860,160	2,314,838
Excess (Deficiency) of Revenues Over (Under) Expenditures	457,541	(59,060)	53,316	22,878	342,517	817,192
TRANSFERS:						
Non-mandatory Transfers	(64,897)	(250,000)	859	-	7,620	(306,418)
Total Transfers	(64,897)	(250,000)	859	-	7,620	(306,418)
Net Increase (Decrease) for the Year	392,644	(309,060)	54,175	22,878	350,137	510,774
Fund Balance June 30, 2009	1,505,189	803,991	19,217	132,975	1,444,444	3,905,816
Fund Balance June 30, 2010	<u>\$ 1,897,833</u>	<u>\$ 494,931</u>	<u>\$ 73,392</u>	<u>\$ 155,853</u>	<u>\$ 1,794,581</u>	<u>\$ 4,416,590</u>

**HAWKEYE COMMUNITY COLLEGE
CURRENT RESTRICTED FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2010**

	Scholarships and Grants	Early Retirement	Equipment Replacement	Insurance
REVENUES:				
State Appropriations	\$ 516,702	\$ -	\$ -	\$ -
Property Taxes	-	-	644,883	495,836
Federal Appropriations and Grants	9,505,302	-	-	-
Scholarships, Grants, and Gifts	-	-	-	-
Interest on Investments	-	6,274	771	41,081
Iowa Industrial New Jobs Training Program	-	-	-	-
Miscellaneous	449,930	-	-	156,070
Total Revenues	10,471,934	6,274	645,654	692,987
EXPENDITURES AND OTHER DEDUCTIONS:				
Salaries and Benefits	-	1,427,359	-	9,412
Services	-	-	840	551,816
Materials and Supplies	-	-	316,057	131,925
Travel	-	-	-	-
Expended for Plant Facilities	-	-	235,545	-
Interest on Indebtedness	-	-	-	-
Federal Pell Grant Program	9,133,333	-	-	-
Federal Supplemental Educational Opportunity Grant	138,533	-	-	-
Private Scholarships	1,301,855	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures and Other Deductions	10,573,721	1,427,359	552,442	693,153
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Deductions	(101,787)	(1,421,085)	93,212	(166)
TRANSFERS:				
Non-mandatory Transfers	102,953	-	(1,949)	-
Total Transfers	102,953	-	(1,949)	-
Net Increase (Decrease) for the Year	1,166	(1,421,085)	91,263	(166)
Fund Balance June 30, 2009	51,047	2,076,033	714,084	756,105
Fund Balance June 30, 2010	\$ 52,213	\$ 654,948	\$ 805,347	\$ 755,939

Unemployment Compensation	Cash Reserve	Workforce Act and Other JTPA Programs	Iowa Industrial New Jobs Training Program	Economic Development	Contracted Training	Miscellaneous	Total
\$ -	\$ -	\$ -	\$ -	\$ 635,663	\$ 103,802	\$ 40,992	\$ 1,297,159
76,305	-	-	-	-	-	-	1,217,024
-	-	3,683,918	-	-	-	718,946	13,908,166
-	-	6,355	-	-	-	182,221	188,576
-	-	-	(6,747)	17,505	-	277,218	336,102
-	-	-	3,226,598	16,002	-	52,100	3,294,700
-	-	15,837	-	627,241	-	77,934	1,327,012
76,305	-	3,706,110	3,219,851	1,296,411	103,802	1,349,411	21,568,739
19,711	-	2,412,584	-	1,050,851	-	722,657	5,642,574
-	-	963,121	1,370,139	33,372	255,195	516,136	3,690,619
-	-	102,088	180,001	25,408	-	311,499	1,066,978
-	-	194,300	38,574	13,890	-	30,326	277,090
-	-	-	-	-	-	-	235,545
-	-	-	990,577	-	-	-	990,577
-	-	-	-	-	-	-	9,133,333
-	-	-	-	-	-	-	138,533
-	-	-	-	-	-	70,248	1,372,103
-	-	23,056	630,020	25,592	-	303	678,971
19,711	-	3,695,149	3,209,311	1,149,113	255,195	1,651,169	23,226,323
56,594	-	10,961	10,540	147,298	(151,393)	(301,758)	(1,657,584)
-	-	-	-	(1,527,500)	-	1,128,292	(298,204)
-	-	-	-	(1,527,500)	-	1,128,292	(298,204)
56,594	-	10,961	10,540	(1,380,202)	(151,393)	826,534	(1,955,788)
39,043	366,380	(12,901)	1,440,036	11,838,256	426,024	2,364,779	20,058,886
<u>\$ 95,637</u>	<u>\$ 366,380</u>	<u>\$ (1,940)</u>	<u>\$ 1,450,576</u>	<u>\$ 10,458,054</u>	<u>\$ 274,631</u>	<u>\$ 3,191,313</u>	<u>\$ 18,103,098</u>

**HAWKEYE COMMUNITY COLLEGE
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS
YEAR ENDED JUNE 30, 2010**

	Student Organizations	Miscellaneous	Total
Balance June 30, 2009	\$ 119,339	\$ 693,991	\$ 813,330
ADDITIONS:			
State Appropriations and Grants	-	70,726	70,726
Tuition and Fees	319,021	-	319,021
Sales and Services	34,591	3,389,905	3,424,496
Miscellaneous	24,500	165,791	190,291
Total Additions	378,112	3,626,422	4,004,534
DEDUCTIONS:			
Salaries and Benefits	66,040	429,277	495,317
Services	43,580	232,798	276,378
Materials and Supplies	97,619	2,806,815	2,904,434
Travel	5,944	5,538	11,482
Miscellaneous	93,035	21,376	114,411
Total Deductions	306,218	3,495,804	3,802,022
Balance June 30, 2010	\$ 191,233	\$ 824,609	\$ 1,015,842

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF CREDIT/CONTACT HOUR ENROLLMENT
YEAR ENDED JUNE 30, 2010**

	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and Sciences	68,977	-	68,977			
Career Tech	72,666	-	72,666			
Non-Credit	-	-	-	227,094	27,562	254,656
Total	<u>141,643</u>	<u>-</u>	<u>141,643</u>	<u>227,094</u>	<u>27,562</u>	<u>254,656</u>

This page intentionally left blank

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES
FOR THE LAST SEVEN YEARS**

	Years Ended June 30,				
	2010	2009	2008	2007	2006
Local (Property Tax)	\$ 6,890,306	\$ 7,073,144	\$ 5,509,468	\$ 6,759,565	\$ 6,584,025
State	12,927,107	14,593,950	13,848,935	12,318,253	12,001,695
Federal	<u>16,573,673</u>	<u>9,600,696</u>	<u>8,585,768</u>	<u>7,900,156</u>	<u>8,640,955</u>
Total	<u>\$ 36,391,086</u>	<u>\$ 31,267,790</u>	<u>\$ 27,944,171</u>	<u>\$ 26,977,974</u>	<u>\$ 27,226,675</u>

	Years Ended June 30,	
	2005	2004
Local (Property Tax)	\$ 6,056,036	\$ 4,441,456
State	10,597,041	11,151,485
Federal	<u>8,785,557</u>	<u>9,215,730</u>
Total	<u>\$ 25,438,634</u>	<u>\$ 24,808,671</u>

**HAWKEYE COMMUNITY COLLEGE
CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
FOR THE LAST SEVEN YEARS**

	Years Ended June 30,				
	2010	2009	2008	2007	2006
Revenues:					
State Appropriations	\$ 12,268,793	\$ 14,345,543	\$ 13,707,374	\$ 12,175,824	\$ 11,650,270
Tuition and Fees	17,097,104	15,085,782	14,167,513	13,689,822	13,120,651
Property Tax	2,671,573	3,077,650	1,753,241	3,168,865	3,099,872
Federal Appropriations	16,008,293	9,600,696	8,585,768	7,900,156	8,640,955
Interest on Investments	432,153	535,904	1,483,132	1,956,956	1,395,416
Iowa Industrial New Jobs Training Program	3,294,700	4,154,074	3,529,935	3,090,789	5,405,079
Auxiliary Enterprises	3,132,030	3,300,806	3,236,020	2,779,109	2,654,448
Miscellaneous	<u>2,346,239</u>	<u>2,839,909</u>	<u>1,892,853</u>	<u>1,943,426</u>	<u>1,462,271</u>
Total	<u>\$ 57,250,885</u>	<u>\$ 52,940,364</u>	<u>\$ 48,355,836</u>	<u>\$ 46,704,947</u>	<u>\$ 47,428,962</u>
Expenditures:					
Liberal Arts and Sciences	\$ 6,034,637	\$ 6,539,305	\$ 5,850,308	\$ 6,041,749	\$ 5,057,359
Vocational Technical	8,571,867	8,746,126	8,225,880	7,942,304	8,045,658
Adult Education	1,705,003	2,232,503	2,121,382	2,366,688	3,106,555
Cooperative Services	7,318,191	6,456,505	4,992,297	4,728,957	5,281,009
Administration	4,767,847	3,046,212	3,060,923	2,770,850	2,387,875
Student Services	2,358,329	2,391,466	2,215,574	2,065,897	2,114,127
Learning Resources	762,633	799,826	801,075	786,252	777,156
Physical Plant	3,415,783	3,396,065	3,042,744	3,419,172	3,137,263
General Institution	6,415,669	6,225,230	5,742,150	4,308,703	4,911,479
Auxiliary Enterprises	2,314,838	3,002,400	1,989,728	3,070,686	2,718,167
Scholarships and Grants	10,573,721	6,834,454	6,259,914	5,541,916	5,788,459
Loan Cancellations& Bad Debts	-	-	-	-	-
Interest on Indebtedness	<u>990,577</u>	<u>951,985</u>	<u>920,862</u>	<u>871,687</u>	<u>-</u>
Total	<u>\$ 55,229,095</u>	<u>\$ 50,622,077</u>	<u>\$ 45,222,837</u>	<u>\$ 43,914,861</u>	<u>\$ 43,325,107</u>

2005	2004
\$ 10,597,041	\$ 11,151,485
12,378,473	11,859,508
2,585,590	3,231,443
8,785,557	9,215,730
703,697	386,765
3,309,867	2,109,670
2,468,754	2,696,470
1,170,881	994,822
<u>\$ 41,999,860</u>	<u>\$ 41,645,893</u>
\$ 5,292,260	\$ 5,050,798
7,849,353	7,166,316
3,095,073	2,700,478
4,573,606	3,561,519
1,627,592	1,563,024
1,891,325	1,420,694
873,833	725,935
3,045,993	3,082,672
4,789,014	6,168,548
2,563,282	2,034,647
6,065,625	6,364,625
51,769	352,688
-	-
<u>\$ 41,718,725</u>	<u>\$ 40,191,944</u>

This page intentionally left blank



2009-2010

Statistical Section



HAWKEYE
COMMUNITY COLLEGE

Iowa Area VII Community College

**HAWKEYE COMMUNITY COLLEGE
STATISTICAL SECTION**

This part of Hawkeye Community College's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. This information has not been audited by the independent auditor.

<u>Contents</u>	<u>Pages</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the College's financial performance has changed over time.	56 - 60
Revenue Capacity	
These schedules contain information that may assist the reader in assessing the College's most significant local revenue source, the property tax.	61 - 64
Debt Capacity	
These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the government's ability to issue additional debt in the future.	65 - 66
Demographic & Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	67 - 68
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the College provides and the activities it performs.	69 - 79

Source:

Unless otherwise noted, the information in these tables is derived from the annual financial report for the relevant year.

This page intentionally left blank

TABLE I

**HAWKEYE COMMUNITY COLLEGE
NET ASSETS BY COMPONENT
FOR THE LAST EIGHT FISCAL YEARS (1)**

	2010	2009	2008	2007	2006
Primary government:					
Invested in capital assets, net of related debt	\$ 36,443,968	\$ 29,399,459	\$ 23,192,105	\$ 22,864,090	\$ 24,667,357
Restricted					
Scholarships, Departmental Programs, Loans	52,213	51,047	72,567	120,072	15,140,378
Loans	82,471	82,471	44,564	(395,097)	-
Debt Service	43,403	18,402	852	26,939	-
Cash Reserve	366,380	366,380	366,380	366,380	-
Other	17,602,034	19,558,988	18,154,793	17,722,196	-
Unrestricted	15,507,382	15,601,221	19,195,406	13,603,728	8,835,927
Total primary government net assets	<u>\$ 70,097,851</u>	<u>\$ 65,077,968</u>	<u>\$ 61,026,667</u>	<u>\$ 54,308,308</u>	<u>\$ 48,643,662</u>
	2005	2004	2003		
Primary government:					
Invested in capital assets, net of related debt	\$ 20,039,435	\$ 13,019,753	\$ 18,965,975		
Restricted					
Scholarships, Departmental Programs, Loans	12,649,639	10,710,346	9,885,941		
Loans	-	-	-		
Debt Service	-	-	-		
Cash Reserve	-	-	-		
Economic Development	-	-	-		
Property Tax Levies	-	-	-		
Iowa New Jobs Training	-	-	-		
Other	-	-	-		
Unrestricted	9,365,567	14,800,433	7,840,840		
Total primary government net assets	<u>\$ 42,054,641</u>	<u>\$ 38,530,532</u>	<u>\$ 36,692,756</u>		

Source: Audited Financial Statements

Note (1): Beginning in fiscal year 2003, the College implemented the reporting requirements of GASB Statement No. 35. Since prior years' financial information has not been restated, only the past eight fiscal years are presented here.

**HAWKEYE COMMUNITY COLLEGE
CHANGES IN NET ASSETS
FOR THE LAST EIGHT FISCAL YEARS (1)**

	2010	2009	2008	2007
REVENUES				
Tuition and Fees,	\$ 17,097,104	\$ 15,085,782	\$ 14,167,513	\$ 13,689,822
Less: Scholarship Allowance	9,407,653	5,709,580	5,307,771	4,625,218
Net Tuition & Fees	7,689,451	9,376,202	8,859,742	9,064,604
Federal Appropriations	16,573,673	9,600,696	8,585,768	7,900,156
Iowa Industrial New Jobs Training Program	3,294,700	4,154,074	3,396,592	3,090,789
Auxiliary enterprises, net of allowances	2,656,212	2,984,506	2,925,066	2,469,717
Gifts and Grants	386,593	153,635	66,475	29,973
Miscellaneous	2,156,703	2,815,835	2,004,251	1,870,203
Total Operating Revenues	32,757,332	29,084,948	25,837,894	24,425,442
EXPENSES				
Operating Expenses				
Education and Support				
Liberal Arts and Sciences	6,034,637	6,539,305	5,835,808	6,041,749
Vocational Technical	8,410,993	8,517,331	7,973,474	7,778,343
Adult Education	1,699,953	2,232,503	2,121,382	2,366,688
Cooperative Services	7,318,191	6,456,505	4,992,297	4,690,637
General Administration	4,767,847	3,046,212	3,060,923	2,770,850
Student Services	2,358,329	2,391,466	2,215,574	2,065,897
Learning Resources	759,102	799,826	801,075	786,252
Physical Plant	3,180,238	3,284,948	2,991,807	3,241,463
General Institution	7,507,517	6,870,490	6,056,355	4,451,111
Auxiliary Enterprises	2,018,905	2,911,252	1,849,058	2,747,075
Scholarships and Grants	690,250	808,574	641,189	607,306
Workforce Investment Act	-	-	-	-
Loan Cancellations & Bad Debts	-	-	-	-
Depreciation Expense	1,981,911	1,960,025	1,664,583	1,547,584
Total Operating Expenses	46,727,873	45,818,437	40,203,525	39,094,955
Total Operating (Loss)	(13,970,541)	(16,733,489)	(14,365,631)	(14,669,513)
Nonoperating Revenues (Expenses)				
State appropriations	12,927,107	14,593,950	13,848,935	12,318,253
Property Taxes	6,890,306	7,073,144	5,509,468	6,759,565
Donated Capital Assets	-	-	9,260	27,000
Investment Earnings	442,088	650,205	1,777,915	2,290,173
Gain on Sales of Capital Assets	-	-	-	2,913
Transfer from Agency	-	-	-	-
Interest on indebtedness	(1,251,226)	(1,289,114)	(1,157,454)	(1,063,745)
Loss on disposal of plant assets	(17,851)	(1,534)	(15,452)	-
Net Nonoperating Revenues (Expenses)	18,990,424	21,026,651	19,972,672	20,334,159
Increase in Net Assets	5,019,883	4,293,162	5,607,041	5,664,646
Net Assets Beginning of Year	65,077,968	61,026,667	54,308,308	48,643,662
Prior Year Adjustments	-	(241,861)	1,111,318	-
Net Assets Beginning of Year - Restated	65,077,968	60,784,806	55,419,626	48,643,662
Net Assets End of Year	\$ 70,097,851	\$ 65,077,968	\$ 61,026,667	\$ 54,308,308

Source: Audited Financial Statements

Note (1):

Beginning in fiscal year 2003, the College implemented the reporting requirements of GASB Statement No. 35. Since prior years' financial information has not been restated, only the past eight fiscal years are presented here.

TABLE II

2006	2005	2004	2003
\$ 13,120,651	\$ 12,378,473	\$ 11,859,508	\$ 10,735,110
3,707,769	3,726,425	3,849,344	3,916,031
9,412,882	8,652,048	8,010,164	6,819,079
8,640,955	8,785,557	9,215,730	8,539,549
5,405,079	3,309,867	2,109,670	2,224,455
2,399,139	2,227,806	2,440,745	1,468,354
-	-	-	-
1,464,771	1,205,778	994,822	1,064,133
27,322,826	24,181,056	22,771,131	20,115,570
5,057,359	5,292,260	5,050,798	4,396,707
7,699,195	7,399,237	7,054,069	7,200,078
3,106,555	3,095,073	2,694,978	2,798,748
3,592,712	2,889,926	1,823,461	1,770,518
2,387,875	1,627,592	1,563,024	1,554,547
2,114,127	1,891,325	1,420,694	1,250,281
707,466	873,833	725,935	731,110
3,608,232	3,107,385	3,030,479	2,878,966
4,846,020	4,519,376	6,133,866	3,887,399
2,591,077	2,303,069	1,976,122	1,907,388
1,825,381	2,098,252	2,259,556	463,030
1,678,086	1,683,680	1,738,058	2,231,896
-	51,769	352,688	226,029
1,556,827	1,129,346	1,101,460	1,291,749
40,770,912	37,962,123	36,925,188	32,588,446
(13,448,086)	(13,781,067)	(14,154,057)	(12,472,876)
12,001,695	10,597,041	11,151,485	11,157,848
6,584,025	6,056,036	4,441,456	4,637,770
-	-	426,625	-
1,512,019	804,686	57,769	624,911
-	-	-	-
45,792	10,232	-	-
(66,625)	(132,400)	(30,049)	(112,416)
(39,799)	(30,419)	(55,453)	-
20,037,107	17,305,176	15,991,833	16,308,113
6,589,021	3,524,109	1,837,776	3,835,237
42,054,641	38,530,532	36,692,756	32,857,519
-	-	-	-
42,054,641	38,530,532	36,692,756	32,857,519
\$ 48,643,662	\$ 42,054,641	\$ 38,530,532	\$ 36,692,756

**HAWKEYE COMMUNITY COLLEGE
FUND BALANCES
FOR THE LAST EIGHT FISCAL YEARS (1)**

	2010	2009	2008	2007
Current Funds				
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ -
Restricted	18,103,098	20,058,886	18,638,304	17,813,551
Unrestricted	12,000,600	8,523,022	7,943,006	6,519,093
Total Current Funds	<u>\$ 30,103,698</u>	<u>\$ 28,581,908</u>	<u>\$ 26,581,310</u>	<u>\$ 24,332,644</u>
Plant Funds				
Invested in Capital Assets, Net of Related Debt	\$ 36,443,968	\$ 29,370,588	\$ 23,192,105	\$ 22,864,090
Restricted	43,403	47,273	852	26,939
Unrestricted	3,506,782	7,078,199	11,252,400	7,084,635
Total Endowment Funds	<u>\$ 39,994,153</u>	<u>\$ 36,496,060</u>	<u>\$ 34,445,357</u>	<u>\$ 29,975,664</u>
Total				
Invested in Capital Assets, Net of Related Debt	\$ 36,443,968	\$ 29,370,588	\$ 23,192,105	\$ 22,864,090
Restricted	22,563,091	20,106,159	18,639,156	17,840,490
Unrestricted	11,090,792	15,601,221	19,195,406	13,603,728
Total Fund Balances	<u>\$ 70,097,851</u>	<u>\$ 65,077,968</u>	<u>\$ 61,026,667</u>	<u>\$ 54,308,308</u>

Source: Audited Financial Statements

Note (1): Beginning in fiscal year 2003, the College implemented the reporting requirements of GASB Statement No. 35. Since prior years' financial information has not been restated, only the past eight fiscal years are presented here.

TABLE III

2006	2005	2004	2003
\$ -	\$ -	\$ -	\$ -
15,140,378	12,649,639	10,710,346	9,885,941
6,402,180	4,783,667	6,431,593	5,802,049
<u>\$ 21,542,558</u>	<u>\$ 17,433,306</u>	<u>\$ 17,141,939</u>	<u>\$ 15,687,990</u>
\$ 24,667,357	\$ 20,039,435	\$ 13,019,753	\$ 18,965,975
-	-	-	-
2,433,747	4,581,900	8,368,840	2,038,791
<u>\$ 27,101,104</u>	<u>\$ 24,621,335</u>	<u>\$ 21,388,593</u>	<u>\$ 21,004,766</u>
\$ 24,667,357	\$ 20,039,435	\$ 13,019,753	\$ 18,965,975
15,140,378	12,649,639	10,710,346	9,885,941
8,835,927	9,365,567	14,800,433	7,840,840
<u>\$ 48,643,662</u>	<u>\$ 42,054,641</u>	<u>\$ 38,530,532</u>	<u>\$ 36,692,756</u>

**HAWKEYE COMMUNITY COLLEGE
REVENUES BY SOURCE
FOR THE LAST EIGHT FISCAL YEARS (1)**

	2010	2009	2008	2007	2006
Tuition and Fees	\$ 7,689,451	\$ 9,376,202	\$ 8,859,742	\$ 9,064,604	\$ 9,412,882
Property Taxes	6,890,306	7,073,144	5,509,468	6,759,565	6,584,025
State Appropriations	12,927,107	14,593,950	13,848,935	12,318,253	12,001,695
Federal Appropriations	16,573,673	9,600,696	8,585,768	7,900,156	8,640,955
Sales and Services	1,719,870	1,923,295	1,356,467	23,377	23,377
Investment Earnings	442,088	650,205	1,777,915	2,290,173	1,512,019
Iowa Industrial New Jobs Training Program	3,294,700	4,154,074	3,396,592	3,090,789	5,405,079
Increase in Plant Investment/Expenditures	-	-	9,260	-	-
Miscellaneous	3,479,638	4,030,681	3,639,325	4,376,429	3,840,533
	<u>\$ 53,016,833</u>	<u>\$ 51,402,247</u>	<u>\$ 46,983,472</u>	<u>\$ 45,823,346</u>	<u>\$ 47,420,565</u>

	2005	2004	2003
Tuition and Fees	\$ 8,652,048	\$ 8,010,164	\$ 6,819,079
Property Taxes	6,056,036	4,441,456	4,637,770
State Appropriations	10,597,041	11,151,485	11,157,848
Federal Appropriations	8,785,557	9,215,730	8,539,549
Sales and Services	19,908	14,065	186,408
Investment Earnings	804,686	426,625	624,911
Iowa Industrial New Jobs Training Program	3,309,867	2,109,670	2,224,455
Increase in Plant Investment/Expenditures	-	57,769	-
Miscellaneous	3,413,676	3,421,502	2,346,079
	<u>\$ 41,638,819</u>	<u>\$ 38,848,466</u>	<u>\$ 36,536,099</u>

Source: Audited Financial Statements

Note (1): Beginning in fiscal year 2003, the College implemented the reporting requirements of GASB Statement No. 35. Since prior years' financial information has not been restated, only the past eight fiscal years are presented here.

TABLE V

**HAWKEYE COMMUNITY COLLEGE
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1000 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS**

Valuation Year	Taxes Payable	Hawkeye Community College	Counties		Cities/Towns Special Districts		School Districts	
			From	To	From	To	From	To
2009	2010/2011	0.99660	6.12641	9.55347	0.00340	18.26406	11.83550	16.89800
2008	2009/2010	0.93153	5.01766	10.57952	0.00300	16.57469	11.58600	19.12540
2007	2008/2009	1.00130	6.66809	9.75096	0.00350	16.16437	10.56253	17.46765
2006	2007/2008	0.82788	7.10571	7.47225	0.10671	12.17670	10.88956	14.88988
2005	2006/2007	1.04032	6.94651	7.23624	0.09652	13.64637	10.99751	15.07787
2004	2005/2006	1.06691	6.79392	7.09449	0.07736	12.41947	10.94685	15.51692
2003	2004/2005	0.99535	5.96496	6.84755	0.14975	12.87200	10.28574	13.44386
2002	2003/2004	0.74560	5.47010	5.61982	0.25172	14.37589	10.51059	12.04904
2001	2002/2003	0.78418	5.23065	5.43898	1.05855	16.84925	10.08874	12.89465
2000	2001/2002	0.69971	5.13197	5.75748	0.25183	15.88994	10.21928	11.76159

Source: County Auditors from Iowa Counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama

TABLE VI

**HAWKEYE COMMUNITY COLLEGE
PRINCIPAL PROPERTY TAXPAYERS AND THEIR ASSESSED VALUATIONS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayers	Type of Business	2010			2001		
		2009 Taxable Value	2009 Taxes Levied	Percentage 2009 Taxable Value	2000 Taxable Value	2000 Taxes Levied	Percentage 2000 Taxable Value
Target Corporation	Retail/Warehouse	\$ 89,035,740	\$ 3,204,310	1.210%	\$ 4,038,820	\$ 145,353	0.07%
IOC Black Hawk County Inc	Gaming	73,670,230	3,150,198	1.001%	-	-	0.00%
GG and A Crossroads Center LP	Retail Mall	40,083,710	1,714,012	0.545%	-	-	0.00%
Solvay Animal Health, Inc	Animal Health	32,684,680	1,245,489	0.444%	-	-	0.00%
College Square Mall Partners LLC	Retail Mall	32,775,230	1,153,834	0.445%	29,610,250	1,082,436	0.52%
Deere and Company	Manufacturing	27,584,866	1,145,318	0.375%	58,626,110	2,398,456	1.04%
Qwest Corporation	Communications	30,452,624	1,082,134	0.414%	32,817,286	1,097,364	0.58%
Ferguson Enterprises Inc	Manufacturing	24,732,360	1,057,576	0.336%	-	-	0.00%
IBP Inc	Meat Processing	21,927,734	936,474	0.298%	23,258,650	970,668	0.41%
Con Agra	Food Processing	20,081,730	858,712	0.273%	3,602,850	150,532	0.06%
Equitable Life Insurance Soc of US	Life Insurance	-	-	0.000%	27,929,240	1,166,928	0.49%
Northern Natural Gas Co	Energy Holding	-	-	0.000%	15,674,177	379,588	0.28%
Bertch Cabinet	Manufacturing	-	-	0.000%	12,071,520	504,368	0.21%
LXP ILP	Trust for Commerical	-	-	0.000%	5,689,250	237,706	0.10%
		<u>\$ 393,028,904</u>	<u>\$ 15,548,057</u>	<u>5.340%</u>	<u>\$ 213,318,153</u>	<u>\$ 8,133,399</u>	<u>3.77%</u>
	Total valuation	\$ 7,360,543,961			\$ 5,652,552,196		

Source: County Auditors from Iowa Counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama

TABLE VII

**HAWKEYE COMMUNITY COLLEGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Valuation Year</u>	<u>Tax Levies Valuation Year</u>	<u>Tax Collected Fiscal Year</u>	<u>Percentage Collected Levy Year</u>	<u>Tax Collections Subsequent Years</u>	<u>Total Collections</u>	<u>Total Percentage Collected</u>
2010	2008	\$ 6,892,421	\$ 6,889,784	99.96%	\$ -	\$ 6,889,784	99.96%
2009	2007	6,879,288	6,854,462	99.64%	9,513	6,863,975	99.78%
2008	2006	5,687,831	5,584,468	98.18%	99,468	5,683,936	99.93%
2007	2005	6,735,335	6,709,565	99.62%	54,005	6,763,570	100.42%
2006	2004	6,793,389	6,693,389	98.53%	45,838	6,739,227	99.20%
2005	2003	6,024,204	6,024,204	100.00%	30,000	6,054,204	100.50%
2004	2002	4,458,455	4,441,456	99.62%	23,564	4,465,020	100.15%
2003	2001	4,688,321	4,637,770	98.92%	27,819	4,665,589	99.52%
2002	2000	4,125,748	4,109,413	99.60%	29,320	4,138,733	100.31%
2001	1999	3,921,232	3,907,746	99.66%	19,878	3,927,624	100.16%

Source: County Auditors from Iowa Counties: Benton, Black Hawk, Bremer,
Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama

TABLE VIII

**HAWKEYE COMMUNITY COLLEGE
LEGAL DEBT LIMIT
LAST TEN FISCAL YEARS**

	2009	2008	2007	2006	2005
Total assessed valuation, January 1	\$ 7,360,543,961	\$ 7,190,423,190	\$ 6,870,356,248	\$ 6,474,291,786	\$ 6,367,349,964
Debt limit 5% of total assessed value	368,027,198	359,521,160	343,517,812	323,714,589	318,367,498
Amount of debt applicable to debt limit, total general obligation bonded debt, June 30	6,325,000	8,820,000	6,340,000	2,240,509	4,421,427
Excess of debt limit over bonded debt outstanding, legal debt margin	361,702,198	350,701,160	337,177,812	321,474,080	313,946,071
	2004	2003	2002	2001	2000
Total assessed valuation, January 1	\$ 6,052,347,136	\$ 5,979,688,010	\$ 5,979,629,673	\$ 5,900,923,020	\$ 5,652,552,196
Debt limit 5% of total assessed value	302,617,357	298,984,401	298,981,484	295,046,151	282,627,610
Amount of debt applicable to debt limit, total general obligation bonded debt, June 30	7,296,324	1,450,000	2,100,000	2,735,000	3,335,000
Excess of debt limit over bonded debt outstanding, legal debt margin	295,321,033	297,534,401	296,881,484	292,311,151	279,292,610

Source: County Auditors from Iowa Counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama and audited financial statements

TABLE IX

**HAWKEYE COMMUNITY COLLEGE
OUTSTANDING DEBT
LAST TEN FISCAL YEARS**

	2010	2009	2008	2007	2006
Governmental and Total					
Certificates Payable	\$ 23,000,000	\$ 24,340,000	\$ 16,660,000	\$ 15,745,000	\$ 14,700,000
General Obligations Bonds	6,325,000	8,820,000	10,975,000	6,340,000	2,210,000
Notes Payable	-	-	-	-	-
Total	\$ 29,325,000	\$ 33,160,000	\$ 27,635,000	\$ 22,085,000	\$ 16,910,000
Personal Income	*N/A	110,540,530	110,134,865	104,650,635	98,207,890
Ratio of Debt to Personal Income	*N/A	30.00%	25.09%	21.10%	17.22%
Ratio of Debt per Capita	*N/A	11.02	9.20	7.39	5.69
Ratio of Bonded Debt to Taxable Property Value	*N/A	0.48%	0.40%	0.32%	0.26%
	2005	2004	2003	2002	2001
Governmental and Total					
Certificates Payable	\$ 13,886,610	\$ 11,920,910	\$ 11,179,500	\$ 9,598,010	\$ 8,066,270
General Obligations Bonds	4,421,427	6,566,324	-	-	745,000
Notes Payable	-	730,000	1,450,000	2,100,000	2,735,000
Total	\$ 18,308,037	\$ 19,217,234	\$ 12,629,500	\$ 11,698,010	\$ 11,546,270
Personal Income	93,204,363	90,435,812	83,920,279	82,398,008	79,456,044
Ratio of Debt to Personal Income	19.64%	21.25%	15.05%	14.20%	14.53%
Ratio of Debt per Capita	6.19	6.52	4.30	3.99	3.94
Ratio of Bonded Debt to Taxable Property Value	0.29%	0.28%	0.20%	0.18%	0.19%

Source: County Auditors from Iowa Counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama and audited financial statements

* Ratio not available

TABLE X

**HAWKEYE COMMUNITY COLLEGE
STATE OF IOWA - TOTAL PERSONAL INCOME, POPULATION,
PER CAPITA PERSONAL INCOME PER CALENDAR YEAR, UNEMPLOYMENT PERCENTAGE
LAST TEN CALENDAR YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Total Personal Income	\$ 110,540,530	\$ 110,134,865	\$ 104,650,635	\$ 98,207,890	\$ 93,204,363
Population	3,007,856	3,002,555	2,988,046	2,972,566	2,955,587
Per Capita Personal Income	\$ 36,751	\$ 36,680	\$ 35,023	\$ 33,038	\$ 31,535
Unemployment Percentage	6.3%	6.5%	3.8%	3.7%	4.6%

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Total Personal Income	\$ 90,435,812	\$ 83,920,279	\$ 82,398,008	\$ 79,456,044	*N/A
Population	2,946,009	2,935,991	2,931,084	2,930,031	*N/A
Per Capita Personal Income	\$ 30,698	\$ 28,583	\$ 28,112	\$ 27,118	\$ 26,556
Unemployment Percentage	4.5%	4.7%	3.1%	3.1%	2.8%

Source: Iowa Workforce Development

Note: Information is presented pertaining to calendar years.

* Ratio not available

TABLE XI

**HAWKEYE COMMUNITY COLLEGE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Current Year		
Rank	Name	Product/Service
1	Deere & Co	Manufacturing
2	Wheaton Franciscan Healthcare (fka Covenant Medical Center)	Health Care
3	Tyson Fresh Meats	Manufacturing
4	University of Northern Iowa	Higher Education
5	Allen Memorial Hospital	Health Care
6	Waterloo Community Schools	Public School District K-12
7	HyVee Food Stores (5)	Retail Trade
8	Area 267 Education Agency	Educational Support
9	Bertch Cabinet Manufacturing Company	Manufacturing
10	Omega Cabinets	Manufacturing

Nine Years Ago		
Rank	Name	Product/Service
1	Deere & Co	Manufacturing
2	Covenant Medical Center	Health Care
3	Iowa Beef Processors	Meat Products
4	University of Northern Iowa	Higher Education
5	Allen Memorial Hospital	Health Care
6	Waterloo Community Schools	Public School District K-12
7	Bertch Cabinet Manufacturing Company	Manufacturing
8	Omega Cabinets	Manufacturing
9	Hy-Vee Food Stores	Retail Trade
10	APAC	Telemarketing

Source: Iowa Workforce Development

Note: State of Iowa has ruled that information regarding the number of employees of a private employer is confidential so that information is not available.

This page intentionally left blank

TABLE XII

**HAWKEYE COMMUNITY COLLEGE
EMPLOYEES BY FUNCTION AND STUDENTS PER FTE
LAST SEVEN FISCAL YEARS (1)**

	2010	2009	2008	2007	2006	2005	2004
Non-faculty							
Full-time	184	206	200	204	202	196	191
Part-time	220	230	141	263	250	303	263
Temporary	17	11	59	16	82	14	30
Total Administration	<u>421</u>	<u>447</u>	<u>400</u>	<u>483</u>	<u>534</u>	<u>513</u>	<u>484</u>
Faculty							
Full-time	119	125	120	119	115	114	114
Part-time	0	33	35	35	44	42	42
Adjunct	80	32	35	177	207	52	20
Total Faculty	<u>199</u>	<u>190</u>	<u>190</u>	<u>331</u>	<u>366</u>	<u>208</u>	<u>176</u>
Total Employees	<u>620</u>	<u>637</u>	<u>590</u>	<u>814</u>	<u>900</u>	<u>721</u>	<u>660</u>

Source: College Reports

Note (1): The college converted to a new software system in 2004 so earlier information is not available.

**HAWKEYE COMMUNITY COLLEGE
CAPITAL ASSETS BY MAJOR CLASS LESS ACCUMULATED DEPRECIATION
FOR THE LAST TEN FISCAL YEARS**

	2010	2009	2008	2007
Land	\$ 379,179	\$ 379,179	\$ 379,179	\$ 379,179
Construction in Progress	6,681,038	3,779,036	1,631,722	1,500,299
Capital Assets Not Depreciated	<u>7,060,217</u>	<u>4,158,215</u>	<u>2,010,901</u>	<u>1,879,478</u>
Buildings	36,945,220	36,945,220	36,924,866	32,064,780
Other Structures & Improvements	12,949,992	10,262,207	7,661,384	6,994,100
Furniture and Equipment	11,170,740	10,353,541	9,300,611	8,633,510
Capital Assets Depreciated	<u>61,065,952</u>	<u>57,560,968</u>	<u>53,886,861</u>	<u>47,692,390</u>
Total Capital Assets	68,126,169	61,719,183	55,897,762	49,571,868
Less: Accumulated Depreciation	24,969,109	23,273,325	21,553,441	20,123,267
Net Book Value	<u>\$ 43,157,060</u>	<u>\$ 38,445,858</u>	<u>\$ 34,344,321</u>	<u>\$ 29,448,601</u>
ACCUMULATED DEPRECIATION				
Buildings	\$ 14,306,733	\$ 13,676,754	\$ 12,885,162	\$ 12,182,019
Other Structures & Improvements	3,761,887	3,194,386	2,956,605	2,953,683
Furniture and equipment	6,900,489	6,402,185	5,711,674	4,987,565
Total Accumulated Depreciation	<u>\$ 24,969,109</u>	<u>\$ 23,273,325</u>	<u>\$ 21,553,441</u>	<u>\$ 20,123,267</u>

Source: Audited financial statements

* Depreciation not reported until GASB 34 implementation.

TABLE XIII

2006	2005	2004	2003	2002	2001
\$ 379,179	\$ 379,179	\$ 287,173	\$ 287,173	\$ 287,173	\$ 287,173
767,484	4,775,060	693,679	-	-	-
<u>1,146,663</u>	<u>5,154,239</u>	<u>980,852</u>	<u>287,173</u>	<u>287,173</u>	<u>287,173</u>
32,064,780	26,882,181	26,882,181	26,882,181	26,698,701	26,662,118
4,770,755	3,310,894	3,316,813	3,316,813	3,261,730	3,261,730
7,883,978	7,006,035	6,371,892	6,514,137	11,699,062	11,419,808
<u>44,719,513</u>	<u>37,199,110</u>	<u>36,570,886</u>	<u>36,713,131</u>	<u>41,659,493</u>	<u>41,343,656</u>
45,866,176	42,353,349	37,551,738	37,000,304	41,946,666	41,630,829
18,958,310	17,892,487	17,235,661	16,584,329	- *	- *
<u>\$ 26,907,866</u>	<u>\$ 24,460,862</u>	<u>\$ 20,316,077</u>	<u>\$ 20,415,975</u>	<u>\$ 41,946,666</u>	<u>\$ 41,630,829</u>
\$ 11,552,276	\$ 10,920,068	\$ 10,381,780	\$ 9,844,493	\$ - *	\$ - *
2,870,982	2,783,030	2,736,882	2,707,018	-	-
4,535,052	4,189,389	4,116,999	4,032,818	-	-
<u>\$ 18,958,310</u>	<u>\$ 17,892,487</u>	<u>\$ 17,235,661</u>	<u>\$ 16,584,329</u>	<u>\$ -</u>	<u>\$ -</u>

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF CREDIT/CONTACT HOUR ENROLLMENT
FOR THE LAST TEN FISCAL YEARS**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Arts and Sciences										
Credit Hours, Eligible for Aid	68,977	57,759	63,016	67,867	57,482	56,373	57,210	54,294	49,495	46,290
Contact Hours, Eligible for Aid	1,149,296	980,976	1,066,192	1,176,555	869,984	940,331	957,569	985,231	906,472	849,127
Total Arts and Sciences	<u>1,218,273</u>	<u>1,038,735</u>	<u>1,129,208</u>	<u>1,244,422</u>	<u>927,466</u>	<u>996,704</u>	<u>1,014,779</u>	<u>1,039,525</u>	<u>955,967</u>	<u>895,417</u>
Vocational Education										
Credit Hours, Eligible for Aid	72,666	60,943	63,206	59,237	63,477	65,754	66,995	64,693	56,959	52,222
Credit Hours, Not Eligible for Aid	-	-	-	-	-	-	-	-	-	42
Contact Hours, Eligible for Aid	1,557,392	1,313,520	1,355,616	1,274,997	1,252,416	1,417,031	1,438,653	1,530,744	1,377,975	1,269,460
Contact Hours, Not Eligible for Aid	-	-	-	-	-	-	-	-	-	1,663
Total Vocational Education	<u>1,630,058</u>	<u>1,374,463</u>	<u>1,418,822</u>	<u>1,334,234</u>	<u>1,315,893</u>	<u>1,482,785</u>	<u>1,505,648</u>	<u>1,595,437</u>	<u>1,434,934</u>	<u>1,323,387</u>
Adult/Continuing Education										
Contact Hours, Eligible for Aid	227,094	308,431	313,813	332,516	362,594	408,562	433,939	720,130	722,796	796,948
Contact Hours, Not Eligible for Aid	27,562	51,352	54,484	59,105	72,605	76,120	30,504	30,787	20,271	22,956
Total Vocational Education	<u>254,656</u>	<u>359,783</u>	<u>368,297</u>	<u>391,621</u>	<u>435,199</u>	<u>484,682</u>	<u>464,443</u>	<u>750,917</u>	<u>743,067</u>	<u>819,904</u>
Related Services and Activities										
Contact Hours, Eligible for Aid	-	-	-	-	-	-	-	29,400	-	-
Contact Hours, Not Eligible for Aid	10,455 *	16,320	17,520	18,480	24,720	-	2,400	60	10,680	57,060
Total Related Services and Activities	<u>10,455</u>	<u>16,320</u>	<u>17,520</u>	<u>18,480</u>	<u>24,720</u>	<u>-</u>	<u>2,400</u>	<u>29,460</u>	<u>10,680</u>	<u>57,060</u>
Total	<u>3,113,442</u>	<u>2,789,301</u>	<u>2,933,847</u>	<u>2,988,757</u>	<u>2,703,278</u>	<u>2,964,171</u>	<u>2,987,270</u>	<u>3,415,339</u>	<u>3,144,648</u>	<u>3,095,768</u>

Source: College Reports

* Discontinued including Academic Computer Support Lab counts in Continuing Ed

TABLE XV

**HAWKEYE COMMUNITY COLLEGE
HIGHER EDUCATION PRICE INDEX (HEPI) FULL YEAR FTE
LAST TEN YEARS**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Higher Education Price Index (1)	281.8	279.3	269.7	260.3	251.8	239.8	231.5	221.2	215.0	206.5
Normalized HEPI	1.009	1.036	1.036	1.034	1.050	1.036	1.047	1.029	1.041	1.049
Full Year FTE (2)	4,048	3,576	3,488	3,485	3,460	3,502	3,564	3,495	3,240	2,950

(1) HIGHER EDUCATION PRICE INDEX (HEPI). The HEPI deflates financial data to provide a Constant Dollar comparison. The HEPI has been applied to facilitate in the interpretation of certain financial information. The HEPI uses 1983 as a base year. The normalized HEPI

(2) FULL TIME EQUIVALENT STUDENT (FTE). Certain financial data in this section is presented per FTE student. The FTE is based on a weighted full year FTE.

Source: District Reports and Commonfund Institute

Source: Commonfund Institute; 2010 Higher Education Price Index

**HAWKEYE COMMUNITY COLLEGE
STUDENT ENROLLMENT BY PROGRAM
LAST TEN FISCAL YEARS**

Program/Major	2010	2009	2008	2007	2006
Arts and Sciences					
Liberal Arts AA	7,819	7,149	6,880	6,648	5,888
Liberal Arts AS	17	5	11	14	-
Applied Science and Technology					
Ag Business Management	110	114	108	82	63
Ag Food & Technology	-	-	-	-	-
Ag Science	35	35	38	37	11
Animal Science	136	111	82	69	46
Horticulture Science	131	107	104	119	112
Natural Resources Mgmt.	84	117	117	114	100
Vet Assisting	25	18	10	29	1
Sub-total	521	502	459	450	333
Accounting	123	101	112	121	131
Accounting Technician	-	-	-	1	2
Admin. Assistant	65	50	50	49	55
Business Administration	681	643	589	507	432
Computer and Network Tech.	61	63	67	62	59
Customer Service	1	1	2	2	-
Executive Assistant	42	50	44	51	76
Finance & Banking	-	-	-	-	-
Fire Science	17	20	21	28	19
General Business	57	56	56	50	56
Information Processor	-	-	-	-	-
Information Systems Management	29	19	25	32	43
Legal Office Assistant	78	53	60	69	50
Marketing Management	166	167	169	143	105
Medical Admin. Assistant	193	138	157	144	146
Medical Secretary	79	76	118	159	141
Medical Transcription	-	-	2	19	9
Network Admin & Engineering	124	93	70	74	93
Office Assistant	-	2	5	1	-
Office Specialist	33	34	34	56	61
Web Design & Develop.	72	71	61	36	36
Sub-total	1,821	1,637	1,642	1,604	1,514
Corrections	156	110	102	121	136
Early Childhood Education	155	138	118	147	151
Early Childhood Educ Apprent	42	63	74	62	68
Graphic Communications	168	154	150	171	205
Interior Design	70	72	69	66	84
Professional Photography	270	275	283	292	332
Police Science	459	407	361	333	318
Sub-total	1,320	1,219	1,157	1,192	1,294

TABLE XVI

Program/Major	2010	2009	2008	2007	2006
Associate Degree Nursing	296	277	277	335	315
Assoc Degree Nursing (Evening)	2	34	31	24	26
Dental Assisting	106	97	102	93	98
Dental Hygiene	220	214	184	228	216
Medical Lab Technology	139	143	146	147	154
Medical Lab Tech Consortium	51	30	11	25	23
Nursing Assistant	-	237	184	146	211
Ophthalmic/Optometric Asst.	4	32	48	51	67
Practical Nursing	1,114	795	867	969	1,001
Practical Nursing (Evening)	9	42	38	46	49
Practical Nursing (EHC2)	46	43	39	44	47
Pre-Radiography	7	4	6	-	-
Pre-Surg Tech	20	28	19	8	7
Registered Nurse First Asst	-	-	-	-	-
Respiratory Care	140	75	100	99	117
Sub-total	2,154	2,051	2,052	2,215	2,331
Arch & Const Technology	14	57	80	81	77
Automated Systems Tech	7	8	27	17	15
Automated Systems Tech JD	19	37	17	3	-
Civil & Construc Engineering Tech	76	70	84	79	83
CNC Machining Tech	126	116	104	84	95
CNC Machinist - EMC2	83	122	110	117	123
CNC Machinist - John Deere	30	25	44	54	93
Consumer Electronics Tech	-	-	-	-	-
Drafting & Design Tech	-	-	-	2	1
Electromechanical Maint. Tech.	139	96	131	22	37
Electronic Engineering Tech	137	97	50	152	144
Electronic Engineering Tech JD	22	57	77	47	19
Electromechanical Maint. Tech	9	11	-	61	64
Electromechanical Maint. Appren.	6	-	12	18	15
General Technology	-	-	-	-	-
Heating & Air Conditioning	88	45	51	77	78
Interdisciplinary Studies	106	14	7	6	10
Mechanical Engineering Tech	-	-	-	-	-
Network Administrator	-	-	-	-	-
Tool & Die	35	38	31	41	32
Web Design	-	-	-	-	-
Welding	144	101	73	60	54
Welding JD	3	4	5	-	-
Sub-total	1,044	898	903	921	940
Ag Power Technology AAS	47	20	17	13	40
Auto Electronics Tech AAS	59	34	36	40	66
Automotive Technology AAS	143	106	128	86	131
Aviation Maintenance Tech	-	-	-	56	-
Collision Repair & Refinishing AAS	108	79	74	56	120
Diesel Truck Tech AAS	52	32	50	65	47
Truck Driving	59	67	46	47	24
Sub-total	468	338	351	363	428
Total Credit Enrollment	15,164	13,799	13,455	13,407	12,728

Source: College Reports

HAWKEYE COMMUNITY COLLEGE
STUDENT ENROLLMENT BY PROGRAM (Continued)
LAST TEN FISCAL YEARS

Program/Major	2005	2004	2003	2002	2001
Arts and Sciences					
Liberal Arts AA	6,022	5,929	5,519	5,074	4,785
Liberal Arts AS	-	-	-	-	-
Applied Science and Technology					
Ag Business Management	49	70	79	70	141
Ag Food & Technology	-	-	1	11	24
Ag Science	9	15	23	28	35
Animal Science	40	41	38	40	44
Horticulture Science	123	121	125	131	131
Natural Resources Mgmt.	102	97	111	63	76
Vet Assisting	-	-	-	-	-
Sub-total	323	344	377	343	451
Accounting	162	175	168	172	157
Accounting Technician	1	2	1	2	21
Admin. Assistant	60	65	63	42	55
Business Administration	392	395	388	315	295
Computer and Network Tech.	73	59	29	54	-
Customer Service	-	-	-	-	-
Executive Assistant	61	61	69	84	88
Finance & Banking	5	9	25	14	11
Fire Science	11	11	10	19	8
General Business	61	38	46	59	81
Information Processor	-	-	-	5	21
Information Systems Management	27	26	12	1	-
Legal Office Assistant	28	32	35	2	-
Marketing Management	108	159	132	127	132
Medical Admin. Assistant	162	158	138	131	114
Medical Secretary	108	119	100	54	75
Medical Transcription	1	-	-	-	-
Network Admin & Engineering	98	109	86	74	23
Office Assistant	1	5	3	10	-
Office Specialist	54	66	61	55	45
Web Design & Develop.	33	48	28	26	1
Sub-total	1,446	1,537	1,394	1,246	1,127
Corrections	146	126	99	120	134
Early Childhood Education	80	96	156	157	190
Early Childhood Educ Apprent	70	36	-	-	-
Graphic Communications	191	220	199	239	259
Interior Design	39	42	62	28	38
Professional Photography	342	313	322	268	249
Police Science	362	402	384	349	282
Sub-total	1,230	1,235	1,222	1,161	1,152

TABLE XVI (Continued)

Program/Major	2005	2004	2003	2002	2001
Associate Degree Nursing	226	121	299	126	10
Assoc Degree Nursing (Evening)	16	14	-	-	-
Dental Assisting	89	106	118	73	77
Dental Hygiene	183	151	131	116	98
Medical Lab Technology	130	116	105	65	42
Medical Lab Tech Consortium	17	9	6	8	4
Nursing Assistant	184	177	141	108	84
Ophthalmic/Optometric Asst.	82	93	54	48	25
Practical Nursing	1,119	1,040	1,012	815	608
Practical Nursing (Evening)	63	36	-	-	-
Practical Nursing (EHC2)	34	16	-	-	-
Pre-Radiography	-	-	-	-	-
Pre-Surg Tech	4	-	-	-	-
Registered Nurse First Asst	-	-	1	-	5
Respiratory Care	123	108	56	55	69
Sub-total	2,270	1,987	1,923	1,414	1,022
Arch & Const Technology	90	99	73	84	86
Automated Systems Tech	1	3	12	-	-
Automated Systems Tech JD	-	-	-	-	-
Civil & Construc Engineering Tech	58	60	62	74	82
CNC Machining Tech	103	85	94	69	48
CNC Machinist - EMC2	84	102	69	37	-
CNC Machinist - John Deere	72	57	78	66	-
Consumer Electronics Tech	-	-	-	-	1
Drafting & Design Tech	19	26	136	-	-
Electromechanical Maint. Tech.	71	81	36	115	29
Electronic Engineering Tech	105	115	134	136	136
Electronic Engineering Tech JD	-	7	-	-	-
Electromechanical Maint. Tech	18	27	46	23	30
Electromechanical Maint. Appren.	17	19	24	-	-
General Technology	-	-	15	65	65
Heating & Air Conditioning	66	58	65	38	50
Interdisciplinary Studies	25	37	22	1	-
Mechanical Engineering Tech	-	-	20	12	33
Network Administrator	-	-	58	53	141
Tool & Die	24	43	82	141	141
Web Design	-	-	16	8	-
Welding	51	47	38	38	29
Welding JD	-	-	-	-	-
Sub-total	804	866	1,080	960	871
Ag Power Technology AAS	36	29	30	26	41
Auto Electronics Tech AAS	106	79	62	37	37
Automotive Technology AAS	149	126	112	112	80
Aviation Maintenance Tech	16	46	49	49	56
Collision Repair & Refinishing AAS	127	109	96	92	98
Diesel Truck Tech AAS	47	52	40	36	44
Truck Driving	27	28	21	31	20
Sub-total	508	469	410	383	376
Total Credit Enrollment	12,603	12,367	11,925	10,581	9,784

Source: College Reports

TABLE XVII

**HAWKEYE COMMUNITY COLLEGE
STUDENT STATISTICS
LAST TEN FISCAL YEARS**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Male	6,793	6,115	5,887	5,726	5,335	5,180	5,278	5046	4883	4608
Female	8,371	7,684	7,568	7,681	7,393	7,620	7,432	6879	5884	5500
Full-time	8,265	7,198	7,187	7,145	7,044	7,287	7,465	7,087	6,497	6,141
Part-time	6,899	6,601	14,755	14,826	14,437	14,907	14,897	13,966	12,381	11,641
Average Credit Hours per student Semester	10.10	10.01	10.20	10.19	10.52	10.91	11.05	11.25	11.35	11.40
Average Credit Hours per student Summer	5.39	5.04	4.97	4.90	4.85	5.00	5.00	5.00	5.00	4.90
Average Age of Student	22.58	22.51	22.96	23.36	23.98	23.80	24.03	23.57	24.30	23.47

Source: College Reports

TABLE XVIII

**HAWKEYE COMMUNITY COLLEGE
STUDENT ETHNICITY
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
American Indian or Alaskan Native	60	66	53	46	48	45	53	56	58	44
Asian or Pacific Islander	212	154	168	175	146	147	121	130	114	91
Black, Non-Hispanic	1,345	944	863	954	983	1,037	1,076	964	784	686
Hispanic	286	216	215	225	212	178	186	144	98	97
International Student	92	40	28	20	18	82	96	104	95	110
No response	76	102	170	242	247	233	173	189	154	149
2 or More Races	21	-	-	-	-	-	-	-	-	-
White, Non-Hispanic	<u>13,164</u>	<u>12,277</u>	<u>11,958</u>	<u>11,745</u>	<u>11,073</u>	<u>11,089</u>	<u>11,072</u>	<u>10,641</u>	<u>9,844</u>	<u>9,090</u>
Total	<u>15,256</u>	<u>13,799</u>	<u>13,455</u>	<u>13,407</u>	<u>12,727</u>	<u>12,811</u>	<u>12,777</u>	<u>12,228</u>	<u>11,147</u>	<u>10,267</u>

Source: College Reports

This page intentionally left blank



2009-2010

Single Audit Section



HAWKEYE
COMMUNITY COLLEGE

Iowa Area VII Community College

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
DIRECT:			
U. S. Department of Education:			
Student Financial Aid – Cluster:			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	\$ 138,533	\$ -
Federal Work-Study Program (FWS)	84.033	181,419	-
ARRA - Federal Work-Study Program (FWS)	84.033	33,145	-
Federal Pell Grant Program	84.063	9,133,333	-
Federal Direct Student Loans	84.268	-	22,092,568
Academic Competitiveness Grant	84.375	247,286	-
Total Student Financial Aid Cluster		9,733,716	22,092,568
C-Campus	84.335	59,276	-
TRIO - Student Support Services	84.042	263,184	-
Total Direct U.S. Department of Education		10,056,176	22,092,568
Corporation for National and Community Services:			
Senior Companion Program	94.016	363,155	-
Total Direct Expenditures		10,419,331	22,092,568
INDIRECT:			
U.S. Department of Education:			
Indirect Through the Iowa Department of Education:			
Adult Education - State Grant Program	84.002	229,669	-
Vocational Education - Basic Grants to States	84.048	400,866	-
Tech-Prep Education	84.243	76,776	-
ARRA - State Fiscal Stabilization Fund (SFSF) - Education			
State Grants, Recovery Act	84.394	1,253,925	-
Total Indirect U.S. Department of Education		1,961,236	-
U.S. Department of Labor:			
Indirect Through Iowa Workforce Development:			
Employment Service Cluster:			
Employment Service	17.207	25,447	-
Disabled Veteran's Outreach Program	17.801	4,377	-
		29,824	-
Workforce Investment Act (WIA):			
WIA Adult Program	17.258	195,346	-
ARRA - WIA Adult Program	17.258	83,329	-
WIA Youth Program	17.259	270,825	-
ARRA - WIA Youth Program	17.259	238,704	-
WIA Dislocated Workers	17.260	1,985,274	-
ARRA - WIA Dislocated Workers	17.260	204,172	-
		2,977,650	-
Unemployment Insurance	17.225	45,705	-
Trade Adjustment Assistance	17.245	655	-
WIA Pilots, Demonstrations, and Research Projects	17.261	7,008	-
Work Incentive Grant	17.266	3,130	-
Incentive Grants - WIA Section 503	17.267	3,000	-
Total Indirect U.S. Department of Labor		3,066,972	-
U.S. Department of Health and Human Services:			
Indirect through Iowa Workforce Development:			
Temporary Assistance for Needy Families Cluster:			
Temporary Assistance for Needy Families	93.558	572,087	-
ARRA - Temporary Assistance for Needy Families	93.714	11,756	-
		583,843	-
Health Care and Other Facilities	93.887	565,380	-
Total Indirect U.S. Department of Health and Human Services		1,149,223	-

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010**

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
INDIRECT (Continued):			
U.S. Department of Agriculture:			
Indirect through Iowa Department of Education:			
Child and Adult Care Food Program	10.558	10,311	-
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226	1,969	-
New ERA Rural Technology Competitive Grants Program	10.314	6,702	-
Total Indirect U.S. Department of Agriculture		<u>18,982</u>	<u>-</u>
Total Indirect Expenditures		<u>6,196,413</u>	<u>-</u>
Total Direct and Indirect Expenditures		<u>\$ 16,615,744</u>	<u>\$ 22,092,568</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 -- BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Hawkeye Community College and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Hawkeye Community College
Waterloo, Iowa

We have audited the basic financial statements of Hawkeye Community College, Waterloo, Iowa, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Hawkeye Community College Foundation, as described in our report on Hawkeye Community College's financial statements. The financial statements of Hawkeye Community College Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hawkeye Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Hawkeye Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Community College's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a we believe to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-10 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hawkeye Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the Community College's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Hawkeye Community College's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusion on the College's response, we did not audit the Community College's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Hawkeye Community College and other parties to whom Hawkeye Community College may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Hawkeye Community College during the course of our audit. Should you have any questions concerning any of the above matters, we would be pleased to discuss them with you at your convenience.

Williams + Company, P.C.

Certified Public Accountants

Spencer, Iowa
December 15, 2010

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Hawkeye Community College
Waterloo, Iowa

Compliance

We have audited Hawkeye Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Hawkeye Community College's major federal programs for the year ended June 30, 2010. Hawkeye Community College's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Hawkeye Community College's management. Our responsibility is to express an opinion on Hawkeye Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hawkeye Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Hawkeye Community College's compliance with those requirements.

In our opinion, Hawkeye Community College complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Hawkeye Community College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Hawkeye Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to tests and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hawkeye Community College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items III-A-10, III-B-10, and III-C-10.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Hawkeye Community College's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Community College's responses and, accordingly, we express no opinion on the responses.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and constituents of Hawkeye Community College and other parties to whom Hawkeye Community College may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Williams & Company, P.C.

Certified Public Accountants

Spencer, Iowa
December 15, 2010

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

PART I – SUMMARY OF AUDITORS' RESULTS

- (A) An unqualified opinion was issued on the financial statements.
- (B) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements, including a material weakness.
- (C) The audit did not disclose any non-compliance which is material to the financial statements.
- (D) Significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.
- (E) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (F) The audit disclosed audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (G) Major programs were as follows:
 - Student Financial Aid Cluster:
 - CFDA Number 84.007 – Federal Supplemental Educational Opportunity Grant (FSEOG)
 - CFDA Number 84.033 – Federal Work-Study Program
 - CFDA Number 84.033 – ARRA – Federal Work-Study Program
 - CFDA Number 84.063 – Federal Pell Grant Program
 - CFDA Number 84.268 – Federal Direct Student Loans
 - CFDA Number 84.375 – Academic Competitiveness Grant
 - Workforce Investment Act Cluster:
 - CFDA Number 17.258 – WIA Adult Program
 - CFDA Number 17.258 – ARRA – WIA Adult Program
 - CFDA Number 17.259 – WIA Youth Program
 - CFDA Number 17.259 – ARRA – WIA Youth Program
 - CFDA Number 17.260 – WIA Dislocated Workers
 - CFDA Number 17.260 – ARRA – WIA Dislocated Workers
 - Temporary Assistance for Needy Families Cluster:
 - CFDA Number 93.558 – Temporary Assistance for Needy Families
 - CFDA Number 93.714 – ARRA – Temporary Assistance for Needy Families
 - Other Major Program:
 - CFDA Number 84.394 – ARRA – State Fiscal Stabilization Fund – Education State Grants
 - CFDA Number 93.887 – Health Care and Other Facilities
- (H) The dollar threshold used to distinguish between Type A and Type B was \$498,471.
- (I) Hawkeye Community College did not qualify as a low-risk auditee.

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

PART II – FINDING RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

SIGNIFICANT DEFICIENCIES:

II-A-10 Financial Reporting – During the audit, we identified immaterial amounts of receivables, accrued interest receivable, and health insurance payable and a material amount of deferred revenue not recorded or not properly recorded in the College's financial statements.

Recommendation – The College should continue to refine year-end closing processes that provide for reconciliation of certain account balances to ensure timely and accurate financial reporting. The College should also implement additional procedures to ensure all receivables, accrued interest receivable, health insurance payable and deferred revenue are properly identified, classified, and included in the College's financial statements.

Response – We will continue to improve closing processes and implement additional procedures to ensure the proper amounts are recorded in the financial statements in the future.

Conclusion - Response accepted.

INSTANCES OF NON-COMPLIANCE: No matters were reported.

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

SIGNIFICANT DEFICIENCIES:

**CFDA Number 84.394 – ARRA – State Fiscal Stabilization Fund – Education State Grants
Federal Award Year - 2010**

III-A-10 Expense Authorization – During testing of the expenditures for this grant, we identified instances where approval of pay authorizations for three employees were missing.

Recommendation – The College should improve controls in order to ensure that all pay authorizations are authorized by the appropriate personnel.

Response – We will review our current authorization controls to ensure that the pay authorizations are approved by the appropriate personnel.

Conclusion - Response accepted.

**CFDA Number 84.394 – ARRA – State Fiscal Stabilization Fund – Education State Grants
Federal Award Year - 2010**

III-B-10 Expense Recording – During testing of the proper recording of payroll expense related to this grant, we identified an instance where the general ledger account specified on the pay authorization was not the account that the expenses were actually recorded.

Recommendation – The College should improve controls in order to ensure that all expenses are recorded where indicated on the pay authorization.

Response – We will review our current controls over documentation to ensure that the expenses are being allocated to the appropriate account.

Conclusion - Response accepted.

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

**CFDA Number 17.258 – WIA Adult Program
CFDA Number 17.258 – ARRA – WIA Adult Program
CFDA Number 17.259 – WIA Youth Program
CFDA Number 17.259 – ARRA – WIA Youth Program
CFDA Number 17.260 – WIA Dislocated Workers
CFDA Number 17.260 – ARRA – WIA Dislocated Workers
Federal Award Year - 2010**

III-C-10 Eligibility Documentation – During the testing of eligibility, we found an instance where there was no documentation in the file providing that the applicant was unable to obtain grant assistance from other sources.

Recommendation – The Workforce Development Office should improve procedures to ensure that all necessary documentation supporting eligibility determination is found in the participant's file.

Response – We will review our current procedures related to eligibility documentation and revise where needed to ensure that the proper documents are found in the participant's file in the future.

Conclusion - Response accepted.

INSTANCES OF NON-COMPLIANCE: No matters were reported.

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

PART IV – OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING

- IV-A-10: Certified Budget – Expenditures for the year ended June 30, 2010 did not exceed the amounts budgeted.
- IV-B-10: Questionable Disbursements – No expenditures we believe did not meet the requirement of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-10: Travel Expense – No expenditures of Hawkeye Community College money for travel expenses of spouses of College officials or employees were noted. No travel advances to College officials or employees were noted.
- IV-D-10: Business Transactions – Business transactions between the Community College and the Community College officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Darrin Siefken, Adjunct Professor, Owner of Crawdaddy Outdoors, L.C.	Supplies	\$ 7,253

In accordance with the Code of Iowa, the above transactions may represent a conflict of interest since the total received during the fiscal year is greater than \$2,500. Per College management it was noted that the College did obtain competitive quotes/prices from websites or local stores.

- IV-E-10: Bond Coverage – Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-F-10: Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-10: Publication – The Community College had published a statement showing the receipt and disbursement of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-H-10: Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the College's investment policy were noted.
- IV-I-10: Credit/Contact Hours – Eligible credit and contact hours reported to the Iowa Department of Education by the College were supported by detailed records maintained by the Community College.

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2010**

III-A-09 Finding – During the audit, we identified two federal grants where expenditures did not equal the revenues on the general ledger. These were programs where the revenues were drawn using the G5 cash management system. Funds are drawn on a reimbursement basis, so the revenue recorded on the general ledger should equal the expenditures. We also found that the administrative allowance for federal workstudy was recorded incorrectly therefore the expenditures did not agree with various external reports.

Recommendation – The College should improve year-end procedures that pertain to reconciling the federal expenditures with the G5 cash management system and various external reports in order to ensure the schedule of federal expenditures is accurate.

Current Status – Procedures appear to have been implemented for the current fiscal year.

III-B-09 Finding – During the audit, we found two errors in the allocation of payroll between the Workforce Investment Act Cluster program and the Temporary Assistance for Needy Families program .

Recommendation – The College Business Office and Workforce Development Office should improve communication and allocation procedures in order to ensure the allocation between programs is accurate.

Current Status – No errors related to payroll were found during current year testing, procedures appear to have been implemented.

**HAWKEYE COMMUNITY COLLEGE
CORRECTIVE ACTION PLAN FOR FEDERAL AUDIT FINDINGS
JUNE 30, 2010**

Department of Education:

Hawkeye Community College, respectfully submits the following corrective action plan for the year ended June 30, 2010.

The audit was performed by Williams & Company, P.C., P.O. Box 908, Spencer, Iowa, for the fiscal year ended June 30, 2010.

The findings from the June 30, 2010 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Part I of the schedule, Summary of Independent Auditor's Results, does include a finding and is not addressed.

The audit disclosed significant deficiencies as identified in Part III of the accompanying Schedule of Findings and Questioned Costs.

SIGNIFICANT DEFICIENCIES:

III-A-10 - Federal Expenditure Authorization – ARRA – State Fiscal Stabilization Fund – Education State Grants CFDA# 84.394

Recommendation – The College should improve controls in order to ensure that all pay authorizations are authorized by the appropriate personnel.

Response – We will review our current authorization controls to ensure that the pay authorizations are approved by the appropriate personnel.

Conclusion - Response accepted.

III-B-10 - Federal Expenditure Authorization – ARRA – State Fiscal Stabilization Fund – Education State Grants CFDA# 84.394

Recommendation – The College should improve controls in order to ensure that all expenses are recorded where indicated on the pay authorization.

Response – We will review our current controls over documentation to ensure that the expenses are being allocated to the appropriate account.

Conclusion - Response accepted.

III-C-10 – Eligibility Documentation – WIA Adult Program CFDA #17.258 – ARRA-WIA Adult Program CFDA #17.258 – WIA Youth Program CFDA #17.259 – ARRA-WIA Youth Program CFDA #17.259 – WIA Dislocated Workers CFDA #17.260– ARRA-WIA Dislocated Workers CFDA #17.260

Recommendation – The Workforce Development Office should improve procedures to ensure that all necessary documentation supporting eligibility determination is found in the participant's file.

Response – We will review our current procedures related to eligibility documentation and revise where needed to ensure that the proper documents are found in the participant's file in the future.

Conclusion - Response accepted.

If the Department of Education has questions regarding this plan, please call Greg Schmitz at 319-296-2329.

Sincerely yours,

HAWKEYE COMMUNITY COLLEGE



Greg Schmitz, President



Business Services

1501 East Orange Road
P.O. Box 8015
Waterloo, IA 50704-8015
319-296-4476